

**Before the
COPYRIGHT ROYALTY JUDGES
LIBRARY OF CONGRESS
Washington, D.C.**

In the Matter of

ADJUSTMENT OF RATES AND TERMS FOR
PREEXISTING SUBSCRIPTION SERVICES
AND SATELLITE DIGITAL AUDIO RADIO
SERVICES

Docket No. 2006-1 CRB DSTRA

WRITTEN REBUTTAL TESTIMONY OF DARYL MARTIN AND RUSSELL L. PARR

INTRODUCTION

CONSOR[®] Intellectual Asset Management ("CONSOR") has been engaged by counsel for Sirius Satellite Radio Inc. ("Sirius") and XM Satellite Radio Inc. ("XM") (the "SDARS" or "Services") to respond to SoundExchange, Inc. expert Dr. Michael Pelcovits' contention that the amounts paid by the SDARS for non-music programming provide a reasonable benchmark for the value of the sound recording performances covered by the statutory license at issue in this proceeding. We also have been asked to respond to the questions from the Court as to the valuation of the promotional and other aspects of the non-music programming contracts put at issue by SoundExchange in this proceeding.

BACKGROUND AND QUALIFICATIONS

This report has been prepared by the team of professionals at CONSOR. The firm is being compensated at a rate of \$395 per hour for its work. The experts designated to testify in this matter are Daryl Martin and Russell L. Parr. Each of their respective qualifications is discussed below and in their curricula vitae, attached hereto.

Daryl Martin, Vice President, CONSOR Intellectual Asset Management

Mr. Martin oversees the valuation division at CONSOR[®] Intellectual Asset Management in La Jolla, California. He is responsible for analyzing various types of intellectual property and intangible assets including trademarks, copyrights, patents, trade secrets, domain names, mailing lists, and customer databases. With over ten years of financial analysis and valuation experience, Mr. Martin has worked on over 150 valuation projects. Mr. Martin's extensive background includes valuing intangible assets for the purposes of loan securitization, mergers and acquisitions, joint ventures, licensing transactions, transfer pricing, bankruptcy filings, and litigation support.

Mr. Martin's broad experience includes time as a Senior Financial Analyst for ConAm Management, a real estate investment company, where he supervised all valuation activity for the Asset Management Division. While there, he was responsible for detailed asset valuations and financial reporting functions on syndicated real estate investment portfolios.

Prior to joining ConAm Management, Mr. Martin performed mutual fund valuation and financial reporting as a Financial Reporting Analyst for the Franklin Templeton Group. During his tenure, Mr. Martin was responsible for preparing revenue projections and financial statements, performing budget analyses, and generating monthly financial packages for management.

Mr. Martin is an honors graduate of San Diego State University with his undergraduate degree in Business Administration and his Masters in Finance. His curriculum vitae is attached hereto as SDARS-Consor Ex. 1.

Russell L. Parr, CFA, President, IPRA, Inc.

Mr. Parr is a consultant to Consor and President of IPRA, Inc., an intellectual property valuation consulting firm. He is lecturer and publisher on intellectual property valuation and exploitation matters. His books are published in English, Japanese, Korean, Italian, Chinese and Russian. He is dedicated to the development of comprehensive methods for accurately defining the value of intellectual property.

Mr. Parr has completed complex consulting assignments involving the valuation and pricing of patents, trademarks, copyrights and other intangible assets. His opinions are used to support licensing transactions, mergers, acquisitions, transfer pricing, litigation support, collateral-based financing, and joint ventures. Mr. Parr also conducts customized research into industry specific factors that drive royalty rates. He advises banks about the use of intangible

assets as loan collateral and has served as an expert witness regarding intellectual property infringement damages.

Mr. Parr has published three royalty rate resource books, which have been sold all over the world. These books are dedicated to reporting detailed information about the economic aspects of intellectual property transactions including licensing and joint ventures.

Mr. Parr's assignments have included the valuation of the Dr. Seuss copyrights and the patent portfolio of AT&T. He has also conducted valuations and royalty rate studies for pharmaceuticals, semiconductor process and product technology, agricultural formulations, automotive battery technology, biotechnology, camera technology, chemical formulations, communications technology, computer software, cosmetics, consumer and corporate trademarks, drug delivery systems, flowers, incinerator feed systems, lasers, medical instrument technology, and motivational book copyrights.

Mr. Parr is a graduate of Rutgers University with an undergraduate degree in Electrical Engineering and his Masters in Business Administration. His curriculum vitae is attached hereto as SDARS-Consor Ex. 2.¹

OVERVIEW

In this report, we analyze and value the intangible brand asset components of several important non-music programming contracts entered into by XM and Sirius. Based on our collective experience in the field of intellectual property and intangible asset valuation and consulting, we reviewed the contracts, researched the commercial aspects of the relationship they

¹ The team of Consor professionals that contributed to this report include Weston Anson, David Drews, and Fernando Torres, MSc. Their curricula vitae are attached hereto as SDARS-Consor Ex. 3.

established, and applied appropriate valuation techniques to the value components of each contract.

MATERIALS REVIEWED

In the course of performing this engagement, we reviewed the original and amended written testimony of Dr. Pelcovits dated October 2005 and May 14, 2007. Moreover, we reviewed additional exhibits and documentation relating to the SDARS and SoundExchange submitted in these proceedings. We conducted extensive research of public licensing transaction databases, as well as more general searches of Internet resources, including publicly available SEC filings of Sirius and XM, and the web sites of the content providers included in our analysis. A detailed listing of materials reviewed is attached hereto as SDARS-Consor Exhibit 4. We also conducted interviews with XM and Sirius management.

BACKGROUND

Sirius and XM operate subscription satellite radio services in the United States. They offer a diverse array of music, talk, news, and sports programming, and have grown to over fourteen million subscribers, collectively, over the approximately five years that their services have been deployed. Satellite radio and its individual participants compete in a broader market for audio entertainment against, primarily, traditional terrestrial-based radio. Within the satellite radio segment, Sirius and XM compete with each other to acquire subscribers and to attract content providers to their respective platforms.

In securing the rights to content, the SDARS are not concerned exclusively with the programming content itself but must also consider their appeal to the universe of audio entertainment consumers and the potential for accelerated adoption of the new platform in the broadcasting market. To accomplish this vital objective, high-value mass-market brands associated with the content are of paramount importance. The market for such properties is

relatively constrained on the supply side, and highly competitive on the demand side. These conditions give rise to exclusivity and other premiums in pricing the properties in addition to the licensing fees for the use of trademarks and brand asset bundles that prevail, particularly among consumer oriented firms.

In the last five years, Sirius and XM have had to appeal to a wide spectrum of consumers to seek the mass subscriber base necessary to become viable businesses. The SDARS quickly found that commercial-free music by itself was not sufficient to build the subscriber base needed to support the deployment of a completely new delivery platform. Introducing new brands in the broader market and competing against rival platforms are expensive endeavors that typically require several years of intense marketing expense and public relations efforts. One way of reducing the time and resources necessary to optimize marketing expenditures to build a new brand such as Sirius or XM is to associate the new brand with established brands that have strong appeal among the targeted audience. This association is akin to the endorsement of products by celebrities, and other public figures. This practice has grown steadily over the last fifty years and typically commands significant premiums over conventional professional and performance fees.

In pursuing such a strategy, the SDARS have entered into contracts with a wide array of non-music content providers in order to effectively build customer awareness and support for their innovative new services. These programming agreements provide not only the right to broadcast news, sports, and talk content, but also establish the important brand association needed to build the business. The brand association consists of a series of attributes possessed by the existing content provider brands, including (i) the ability to quickly capture customers' attention, foster customer loyalty, and prompt purchasing decisions² and (ii) communicating a

² The central conceptual role of brands as intangible economic assets, and trademarks as specific intellectual property, is to reduce search costs and uncertainty for consumers, according to Judge Posner's seminal analysis on

clear core purpose or identity, as well as a specific set of supporting values to both customers and potential customers.

Some brands typically extract pricing premiums in negotiations where the licensee potentially may have more to gain from the relationship than the licensor. Additional premiums accrue to most valuable brands when the terms of the contract require a measure of exclusivity in the relationship, because the net value of alternative opportunities foregone (the opportunity costs) must be incorporated into the pricing of the relationship.

METHODOLOGY FOR VALUATION OF BRAND ASSOCIATION

Our analysis centered on seven significant non-music branded contracts across the talk and sports categories: Howard Stern (Sirius), Oprah (XM), Martha Stewart (Sirius), Major League Baseball (XM), NFL (Sirius), NASCAR (Sirius), and Opie & Anthony (XM).

The valuation approach we performed consisted of the following series of steps:

1. Analysis of the contracts to determine the total cost of the contract to the SDARS on a present-value basis as of the effective date of the contract;
2. Identification of the appropriate royalty rate or licensing fee typically paid for comparable trademark licensing agreements;
3. Identification of actual endorsement fees for comparable transactions to determine a representative endorsement value for each property.
4. Determination of exclusivity premiums applicable to each contract; and
5. Valuation of the key components of value for each contract: (i) the trademark royalty for the use of the brand in connection with the content; (ii) the endorsement fee for the

the subject; Richard A. Posner; William M. Landes, "Trademark Law: An Economic Perspective," *Journal of Law and Economics*, Vol. 30, No. 2. (Oct. 1987), at 265-309.

value conferred on the SDARS for the implied endorsement and/or use of the brand in connection with the marketing of the platform/service; (iii) the exclusivity premium; and (iv) the residual value attributable to the branded programming covered by the contract, among other factors.

SUMMARY OF CONCLUSIONS

Based on the brand licensing and endorsement research we have performed and the contract review and analytical valuation framework we have applied, we have formed the following opinions:

1. The branded properties provide significant value to the SDARS for which the branded properties extract significant fees, beyond the value of the content itself;
2. The calculated value of the content provided by the branded contracts examined is, typically, a small proportion of the total contract cost. In the aggregate, a range from 78.8% to 86.8%, with a median of 82.8% of the contract compensation typically represents the value of the brand, endorsement and exclusivity components identified in this analysis; and
3. The average economic value of the underlying content of the analyzed contracts represents no more than 13.2% to 21.2% of the branded programming contract costs incurred by the SDARS, with a median of 17.2%.

ANALYSIS

The SDARS have to meet the needs of at least two different groups in order to succeed; (i) consumers (subscribers) who look for entertainment and information services delivered conveniently at a competitive price; and (ii) content providers that require avenues to promote,

grow and monetize their intellectual property, be it newscasts, sportscasts, commentary, or music.

In contracting with individual content providers, Sirius and XM compete against a variety of well-established outlets for these properties. Their negotiated content contracts reflect market conditions that vary significantly, ranging from unique properties such as “Howard Stern” to increasingly ubiquitous programming such as newscasts. Each of these properties entails specific negotiation challenges, and the true cost of the content broadcast must be deduced from the total compensation provided for in the contracts after taking account of the various elements of the bundle of rights being licensed, such as:

- the market royalty fees compensating the use of the brand assets being licensed, in this case the trademarks and other intangibles branding the programming, which are calculated using comparable royalty rates;
- the endorsement value provided to the SDARS by the content provider, calculated on the basis of comparable endorsement arrangements; and
- the degree of exclusivity of the content provided, which is calculated on the basis of the value to the licensee of excluding the competing service from offering specific programming.

The following sections analyze the agreements with key non-music content providers and explain our analysis and valuation of each contract.

I. HOWARD STERN

The following analysis of compensation paid to Howard Stern (“Stern”) by Sirius for the exclusive right to Stern’s radio broadcast is based on evaluating the contributory value of the key elements comprising Stern’s total compensation package. Based upon a comprehensive review of the value elements contained within the Stern deal, we believe the following elements to be of critical importance:

- Brand value contribution
- Endorsement value contribution
- Exclusivity
- Content value

We calculated the value of each of the non-content value elements as of the effective date of the contract and stated it in then-present value terms.

A. Net Present Value of Contract Cost

In order for the analysis of the various contract components' contributory value to be accurate, the compensation packages for each of the properties need to be expressed on a present value basis. Accordingly, the guaranteed cash flows encompassed within the compensation package are mapped to the corresponding payment due dates and the present value is then calculated as of the effective date of the contract. These calculations are performed using a discount rate of 15.0%,³ which is applied using the appropriate recognition convention for each payment (mid-period, end-of-period, etc.). For Howard Stern, the net present value of his guaranteed compensation, as of October 1, 2004, is \$245.9 million (*see* SDARS-Consor Ex. 5).

B. Brand Value Contribution Analysis

The first step in the analysis considers the attribution of total compensation paid which is attributable to the "Howard Stern" brand assets. The valuation of the "Howard Stern" brand is based upon an analysis of comparable market-based brand royalty rate transactions. Based on this research and analysis, we have concluded that the "Howard Stern" brand typically would command royalty rates in the 12% - 16% range for usage of the brand to sell products and services—calculated on a wholesale revenue basis. Moreover, as most royalty rate comparables

³ For SIC code 4832, Radio Broadcasting Companies, the median cost of equity is 12.5%. There is a premium of 2.5% added to the cost of equity to account for the additional risk associated with intellectual capital.

are pegged to non-exclusive arrangements, the royalty rate range must be adjusted upward to reflect the exclusive nature of the Stern contract. Thus, a 25% premium⁴ has been incorporated to reflect this element—for an adjusted range of 15% - 20%. (*see* SDARS-Consor Ex. 6).

The comparable royalty rate transactions are based on rates charged against net wholesale sales. Wholesale revenue is typically the cost of goods manufactured grossed up by the profit margin and delivered to the retailer for ultimate sale to the consumer. For example, in a trademark license for t-shirts, the revenue base would be the wholesale revenues that the licensed manufacturer obtains from the t-shirt retailers. For this analysis, the cost of goods manufactured is comparable to the acquisition cost of the branded programming. Thus, the application of an industry average operating margin results in an equivalent wholesale revenue basis. Once the equivalent wholesale revenue basis is determined, it is multiplied by the appropriate market-based royalty rate to arrive at the estimated fair market value of the brand usage by Sirius—which is then deducted from the total compensation paid to Stern.

Based on this methodology, we conclude that the range of value attributable to the exclusive use of the “Howard Stern” brand assets by Sirius is \$50.3 million to \$67.0 million in net present value terms (*see* SDARS-Consor Ex. 7).

C. Endorsement Value Contribution Analysis

The next adjustment is to account for the endorsement value that Howard Stern brings to Sirius. Endorsement value is a separate component of the value package covered by the compensation paid to the various properties. In addition to allowing the SDARS to use their brands, the properties are providing an endorsement of the satellite radio service, essentially stating that they believe in the quality, effectiveness and value of the service being provided to

⁴ It is well documented that licensors will pay a premium to control the exclusive rights to a property. In our experience, on average, licensees will pay 25% or more to acquire exclusivity.

satellite radio consumers, not to mention the "hip" factor that several of the properties convey. The payments associated with similar endorsement programs are well documented, with dozens of sports stars and celebrities taking advantage of the value of their opinions among certain target demographics. The best way to measure this endorsement component is to analyze the market value of concurrent endorsements provided by similar properties or by well-known personalities in similar fields. It is important to assess the relative strength or popularity of the subject property in juxtaposition to the comparable data being utilized. This way an accurate indication of the market value of the subject property's endorsement can be established.

The value of an endorsement is embodied in the fact that people tend to emulate celebrities and sports stars and have a desire to dress like them, visit the places that they visit, and do the things that they do. As a result, products and services that are endorsed by these celebrities and sports stars (and the sports leagues themselves) are imbued with credibility and cachet.

Prior to Stern, Sirius was evaluating marketing alternatives to accelerate subscriber acquisition. Their initial unique selling proposition was centered around the distribution of commercial-free music. Although the signing of the NFL contract predates the Stern contract and was the first significant acquisition for Sirius, the program offering did not possess the breadth and full "Star Power" needed to capture the attention of a larger audience. Management recognized this deficiency and sought to remedy the situation by associating with marquee performers and properties in order to bring credibility to the Sirius brand and the platform. The acquisition of Howard Stern, along with other key properties, brought enhanced credibility and cachet to the full spectrum of Sirius program offerings. The value of that enhanced credibility and status is a significant part of the overall compensation paid to Mr. Stern.

Based on our review of endorsement/sponsorship agreements compensation to marquee performers, such as Howard Stern, we conclude that comparable compensation structures range from a low of \$4.1 million to \$5.0 million annually. Projecting these annual endorsement payments over the life of the Howard Stern contract provides us with an endorsement value carve-out range of \$16.3 million to \$19.9 million in net present value terms (*see* SDARS-Consort Exs. 7 and 8).

D. Exclusivity

The final adjustment is to calculate the value of the exclusivity premium. Exclusivity applies to all components of the total contract cost: brand value, endorsement value, and content value. As we have already accounted for the brand and endorsement values on an exclusive basis, here we calculate the exclusivity premium as it applies to the residual cost of the contract after the brand and endorsement value adjustments. Hence, this avoids a double-counting of the exclusivity factor.

The agreement provides Sirius with the exclusive rights to Howard Stern's radio broadcast for not only the satellite radio platform but for all broadcast media, including terrestrial and Internet radio. The exclusivity clause incorporated into the Stern agreement precludes any other radio broadcasting vehicle from carrying the Howard Stern branded content.⁵ This provision is one of the key value drivers in the determination of fair market compensation, as it prevents Stern from earning income from other operators in the broadcasting space. This foregone income came at a steep price, or opportunity cost. Typically, in licensing arrangements, the licensee must pay a significant premium to the brand and content owner to secure the exclusive rights to a property. The premium is paid to compensate the property owner for the inability to leverage the property across multiple platforms/opportunities.

⁵ As per the "Audio Distribution" clause of the agreement (SIR00010472).

A complementary key value driver in the Stern deal was the lack of similar content providers/personalities in the marketplace. Howard Stern is an unique property, with tremendous consumer awareness and a loyal customer base. He is a marquee performer who is compensated at the upper end of the range for celebrity performers/brands. Consequently, Mr. Stern's contract has an implicit premium for this uniqueness, which Sirius must have considered when analyzing the total compensation paid to Mr. Stern—particularly in light of the fact that Sirius could have lost the broadcast rights to XM.

To value the exclusivity provision, we performed an analysis of satellite subscriber shares among Sirius and XM, for the quarter preceding the effective date of the Stern contract (third quarter of 2004). At that time, Sirius had a 20.8% subscriber share, and XM the remaining 79.2%.

As a base scenario, we assume that prospective Stern fans would otherwise be proportionately distributed between the services, so that the maximum satellite subscriber share that Sirius could gain as a result of the exclusivity would be XM's existing share of the prospective subscribers at the time of the launch (79.2%). Thus, by securing exclusivity, Sirius can earn up to 379.9% more ($79.2\%/20.8\%$) by capturing 100% of the satellite subscribers and, therefore, would pay up to 79.2% ($100\% - 20.8\%$) less for the equivalent non-exclusive programming rights. In other words, up to 79.2% would be the exclusivity discount factor that must be carved out to represent an equivalent, non-exclusive valuation of the programming content (*see* SDARS-Consor Ex. 7).

In an alternative scenario, it is recognized that there are several market factors that may keep Sirius from capturing 100% of the potential satellite subscriber base available under an exclusive arrangement. These factors include: (i) the possibility that existing XM subscribers may not readily move from one satellite system to the other, particularly if new equipment is

necessary; and, (ii) the possibility that some new subscribers only would have signed up if XM were the provider, due to its other programming offerings. As a conservative assumption, we considered a scenario where the exclusive relationship can be leveraged by capturing only 75% of the potential subscriber share enjoyed by XM. In this case, the exclusive subscriber share would increase to only 80.2% of the total market $[20.8\% + (0.75 \times 79.2\%)]$. The premium in this case is 284.9% $[(0.75 \times 79.2\%) / 20.8\%]$ and, therefore, Sirius would pay up to 74.0% $[(100\% - (20.8\% / 80.2\%)]$ less for the equivalent non-exclusive programming rights. In other words, up to 74.0% would be the exclusivity discount factor that needs to be carved out to represent a competitive, non-exclusive valuation of the programming content (*see* SDARS-Consor Ex. 7).

Based on the above two scenarios, we conclude that Sirius was willing to pay a steep premium to acquire the exclusive rights to Howard Stern. Applying the corresponding discounts of 74.0% to 79.2% to the brand and endorsement value adjusted contract costs to arrive at a range of fair market value of the exclusivity attribute of the contract, in dollar terms, the adjustment is estimated to range from \$125.9 million to \$132.8 million (in net present value terms). (*see* SDARS-Consor Ex. 7).

E. Summary Compensation Attribution

After carving-out the value attributable to the three embedded components – brand value, endorsement value, and exclusivity – we conclude that the residual non-exclusive contract cost (“RNECC”) for the Stern programming agreement ranges from \$33.1 million to \$46.6 million. In other words, the RNECC represents between 13.5% and 18.9% of the total cost of the Stern contract (*see* SDARS-Consor Ex. 7). This analysis is summarized as follows:

Element	Lower Value (\$000s)	Upper Value (\$000s)
NPV of Contract Cost	\$ 245,932	\$ 245,932
Brand	67,021	50,266
Endorsement	19,895	16,314
Exclusivity	125,881	132,759
RNECC	\$ 33,136	\$ 46,594
RNECC as % of Contract Cost	13.5%	18.9%

II. MAJOR LEAGUE BASEBALL CONTRACT

Similar to the Howard Stern Program analysis above, the analysis of compensation paid to Major League Baseball ("MLB") by XM for the exclusive right to broadcast MLB content is based upon evaluating the contributory value of the key elements comprising MLB's total compensation package. Based upon our review of the value elements contained within the MLB deal, we believe the following elements are of critical importance:

- Brand value contribution
- Endorsement value contribution
- Exclusivity
- Content value

We calculated the value of each the non-content value elements as of the date the contract was signed and stated it in then-present value terms.

A. Net Present Value of Contract Cost

The net present value of the contract cost for the MLB contract as of October 15, 2004, is
 [[]] (see SDARS-Consor Ex. 5).

B. Brand Value Contribution Analysis

As set forth in the Stern analysis above, the adjustment for the value contribution of the MLB brand is based upon an analysis of comparable market-based brand royalty rate transactions. Based on this research and analysis, we have concluded that the MLB brand

typically would command royalty rates in the range of 10.1% - 13.0% of wholesale revenue. Moreover, as most royalty rate comparables are pegged to non-exclusive arrangements, the royalty rate range must be adjusted upward to reflect the exclusive nature of the MLB contract. Thus, a 25% premium has been incorporated to reflect this element—for an adjusted range of 12.63% - 16.25%. (*see* SDARS-Consor Ex. 6).

The wholesale revenue basis is equivalent to the competitive cost of the branded content grossed up by an appropriate profit margin, which is based on broadcast radio industry data. The equivalent wholesale revenue basis is then multiplied by the appropriate market-based royalty rate to arrive at an estimated fair market value of the brand usage by XM, which is then deducted from the total compensation paid to MLB. Applying the 12.63% to 16.25% range of royalty rates to the equivalent wholesale revenue basis leads to an indicated brand value of \$48.2 million to \$62.0 million in net present value terms (*see* SDARS-Consor Ex. 9).

C. Endorsement Value Contribution Analysis

The next adjustment is to account for the endorsement value that MLB brings to the XM program offering. As discussed above, endorsement value is a separate component of the value package covered by the compensation paid to the various properties. In addition to allowing the SDARS to use its brand, MLB is providing an endorsement of the XM satellite radio service. In addition, [[

]]

As stated above, the best way to measure this endorsement component is to analyze the market value of concurrent endorsements provided by similar properties or by well-known personalities in similar fields. It is important to assess the relative strength or popularity of the subject property in juxtaposition to the comparable data being utilized. This way an accurate

indication of the market value of the subject property's endorsement can be brought forth. MLB is obviously one of the strongest sports brands in existence and its endorsement is very valuable.

Based on our analysis of comparable endorsement/sponsorship agreements, compensation to properties in the sports field range from \$125,000 to \$8 million annually. Marquee properties, such as MLB, are found in the upper quartile, which ranges from \$5.5 million to \$8.0 million annually. Applying this range of compensation over the eight-year contract term leads to an indication of fair market value of the MLB endorsement of \$24.7 million to \$35.9 million in net present value terms (*see* SDARS-Consort Exs. 8 and 9).

D. Exclusivity

The contract with MLB grants XM exclusive rights to [[

]]

As with Howard Stern, a key value driver associated with MLB is the concept of MLB being an unique property, with tremendous consumer awareness and a loyal customer base. Consequently, the MLB contract has an implicit premium for this uniqueness, which XM must consider when analyzing the total compensation paid.

According to the contract, [[

]] In dollar terms, the adjustment is estimated to range from \$127.5 million to \$145.0 million in net present value terms. (see SDARS-Consor Ex. 9).

E. Summary of MLB Compensation Value Attribution

After carving-out the value attributable to the three embedded components – brand value, endorsement value, and exclusivity – the residual non-exclusive contract cost (“RNECC”) for the MLB programming agreement is calculated to range from \$54.6 million to \$62.1 million. In other words, the RNECC represents between 19.5% and 22.2% of the total cost of the MLB contract (see SDARS-Consor Ex. 9). This analysis is summarized as follows:

Element	Lower Value (\$000s)	Upper Value (\$000s)
NPV of Contract Cost	\$ 279,993	\$ 279,993
Brand	61,996	48,166
Endorsement	35,899	24,680
Exclusivity	127,469	145,003
RNECC	\$ 54,630	\$ 62,144
RNECC as % of Contract Cost	19.5%	22.2%

III. NATIONAL FOOTBALL LEAGUE CONTRACT

The analysis of compensation paid to the National Football League (“NFL”) by Sirius for the exclusive right to broadcast NFL content is very similar to the analysis for MLB. The key elements comprising their total compensation packages are similar and the methodology for calculating the value of the various deal elements are roughly the same. As with the MLB contract, we believe the following elements are of critical importance:

- Brand value contribution
- Endorsement value contribution
- Exclusivity

- Content value

We calculated the value of each the non-content value elements as of the date the contract was signed and stated it in then-present value terms.

A. Net Present Value of Contract Cost

The net present value of the contract cost for the NFL contract as of December 2, 2003, is
[[]] (*see* SDARS-Consor Ex. 5).

B. Brand Value Contribution Analysis

The adjustment for the value contribution of the NFL brand is based upon an analysis of comparable market-based brand royalty rate transactions. Based on this research and analysis, we have concluded that the NFL brand typically would command royalty rates in the range of 10.1% - 13.0% of wholesale revenue. Moreover, as most royalty rate comparables are pegged to non-exclusive arrangements, the royalty rate range must be adjusted upward to reflect the exclusive nature of the NFL contract. Thus, a 25% premium has been incorporated to reflect this element—for an adjusted range of 12.63% - 16.25%. (*see* SDARS-Consor Ex. 6).

The wholesale revenue basis is equivalent to the competitive cost of the branded content grossed up by an appropriate profit margin, which is based on broadcast radio industry data. The equivalent wholesale revenue basis is then multiplied by the appropriate market-based royalty rate to arrive at an estimated fair market value of the brand usage by Sirius, which is then deducted from the total compensation paid to NFL. Applying the 12.63% to 16.25% range of royalty rates to the equivalent wholesale revenue basis leads to an indicated brand value of \$21.0 million to \$27.0 million in net present value terms (*see* SDARS-Consor Ex. 10).

C. Endorsement Value Contribution Analysis

The NFL is one of the strongest sports brands in the world. In addition to allowing Sirius access to this powerful brand, the NFL provides an endorsement of the Sirius satellite radio

service, including participation in various partner promotions. In addition, [[

]]

As stated above, the best way to measure this endorsement component is to analyze the market value of concurrent endorsements provided by similar properties or by well-known personalities in similar fields. Based on our analysis of comparable endorsement/sponsorship agreements, marquee properties, such as the NFL, are found in the upper quartile, which ranges from \$5.5 million to \$8.0 million annually. Applying this range of compensation over the seven-year contract term leads to an indication of fair market value of the NFL endorsement of \$22.9 million to \$33.3 million in net present value terms (*see* SDARS-Consor Exs.8 and 10).

D. Exclusivity

The contract with the NFL grants Sirius [[

]] In dollar terms, the adjustment is

estimated to range from \$55.6 million to \$70.4 million in net present value terms (*see* SDARS-Consort Ex. 10).

E. Summary of NFL Compensation Value Attribution

After carving-out the value attributable to the three embedded components – brand value, endorsement value, and exclusivity – the residual non-exclusive contract cost (“RNECC”) for the NFL programming agreement is calculated to range from \$6.2 million to \$7.8 million. In other words, the RNECC represents between 5.1% and 6.4% of the total cost of the NFL contract (*see* SDARS-Consort Ex. 10). This analysis is summarized as follows:

Element	Lower Value (\$000s)	Upper Value (\$000s)
NPV of Contract Cost	\$ 122,118	\$ 122,118
Brand	27,039	21,008
Endorsement	33,283	22,882
Exclusivity	55,616	70,406
RNECC	\$ 6,180	\$ 7,823
RNECC as % of Contract Cost	5.1%	6.4%

IV. ANALYSIS OF THE NASCAR CONTRACT

The analysis of compensation paid to the National Association for Stock Car Auto Racing, Inc. (“NASCAR”) by Sirius for the exclusive right to broadcast NASCAR content is very similar to the analysis for other sport properties. We believe the following elements are of critical importance for this analysis:

- Brand value contribution
- Endorsement value contribution
- Exclusivity
- Content value

We have calculated the value of each the non-content value elements as of the date the contract was signed and will be stated in then-present value terms.

2005, is [[]] (*see* SDARS-Consor Ex. 5).

B. Brand Value Contribution Analysis

[[]]

⁷ Essentially since the flagship event, the “Daytona 500,” was first televised live by CBS in 1979. NASCAR events are now televised in 150 countries during its 10-month long season. (<http://www.nascar.com/guides/about/nascar/>).

Based on the research and analysis of publicly available information of representative licensing contracts, we have concluded that the NASCAR brand typically would command royalty rates in the 12% - 16% range for usage of the brand to sell products and services — calculated on a wholesale revenue basis. This range represents the quartile just above the median rates, as it reflects the characteristics of the NASCAR brand, one of the most recognizable and popular brands in the U.S. economy. Moreover, as most royalty rate comparables are pegged to non-exclusive arrangements, the royalty rate range must be adjusted upward to reflect the exclusive nature of the NASCAR contract. Thus, a 25% premium has been incorporated to reflect this element—for an adjusted range of 15% - 20%. (*see* SDARS-Consor Ex. 6).

The wholesale revenue basis is equivalent to the competitive cost of the branded content grossed up by an appropriate profit margin, which is based on broadcast radio industry data. The equivalent wholesale revenue basis is then multiplied by the appropriate market-based royalty rate to arrive at an estimated fair market value of the brand usage by Sirius, which is then deducted from the total compensation paid to NASCAR. Applying the 15% to 20% range of royalty rates to the equivalent wholesale revenue basis leads to an indicated brand value of \$12.4 million to \$16.5 million in net present value terms (*see* SDARS-Consor Ex. 11).

C. Endorsement Value Contribution Analysis

The endorsement value reflects the market assessment of the benefits Sirius derives from NASCAR using Sirius' trademarks, from using NASCAR's influence in the market to open new opportunities for Sirius, and the added goodwill to Sirius transferred from the implied and explicit endorsement of NASCAR.

Besides the SDARS category exclusivity, [[

II

To estimate this value, which is embedded but not quantified in the contract, we researched similar endorsement relationships in the NASCAR environment. The value of the comparable endorsement association was determined to be an appropriate proxy for this purpose as the sponsorship relationship is so prevalent in NASCAR. The association of a primary car sponsor with the fans, the marketing opportunities it provides, and the brand recognition and transference of consumer loyalty from racing to the brand is a valuable asset that scores of companies pay for every year. The annual sponsor fees we determined to be the most appropriate estimator for the endorsement value of NASCAR range from \$4.0 million to \$6.0 million. Applying this range of compensation over the seven-year contract term indicates a fair market value of the NASCAR endorsement of \$16.6 million to \$25.0 million in net present value terms (*see* SDARS-Consor Exs. 8 and 11).

D. Exclusivity

The NASCAR programming by Sirius is exclusive in the satellite radio platform, and much of it (e.g. 10 dedicated channels of driver-to-pit crew communications) is not available anywhere else in broadcast media. This provision is a key value driver in the determination of fair market compensation. Because it is not explicitly segregated in the contract, a proxy calculation must be undertaken to estimate the value of exclusivity, and carve it out of the brand and endorsement value adjusted cost of the programming contract to arrive at the residual value of the non-exclusive content.

To value the exclusivity provision, we utilized the same methodology utilized in the Stern analysis above by applying the calculated discount range, 67.9% to 73.9%, to the brand and endorsement value adjusted contract cost to calculate the range of fair market value of the exclusivity attribute of the contract. In dollar terms, the adjustment is estimated to range from \$14.1 million to \$21.4 million in net present value terms. (*see* SDARS-Consor Ex. 11).

E. Summary of NASCAR Compensation Value Attribution

The residual non-exclusive contract cost ("RNECC") for the NASCAR programming agreement is calculated to range from \$5.0 million to \$10.1 million. In other words, the RNECC represents between 8.2% and 16.7% of the total cost of the NASCAR contract (*see* SDARS-Consor Ex. 11). This analysis is summarized as follows:

Element	Lower Value (\$000s)	Upper Value (\$000s)
NPV of Contract Cost	\$ 60,560	\$ 60,560
Brand	16,504	12,378
Endorsement	24,963	16,642
Exclusivity	14,101	21,426
RNECC	\$ 4,993	\$ 10,114
RNECC as % of Contract Cost	8.2%	16.7%

V. ANALYSIS OF THE MSO (MARTHA STEWART) CONTRACT

Martha Stewart is a business magnate, author, editor and homemaking advocate. Over the last two decades, Ms. Stewart has built a publishing and broadcasting content company, leveraging her mass market recognition and solid place in the market being the author of several books, hundreds of articles on the domestic arts, editor of a national home keeping magazine, host for two popular daytime television programs, and commercial spokeswoman for K-Mart. Her company, Martha Stewart Living Omnimedia, Inc. ("MSO") consolidates the content library she has generated throughout her career, and went public with much fanfare in 1999. One month after Ms. Stewart was released from prison where she served a well-publicized sentence stemming from an obstruction of justice conviction, MSO entered into the programming contract with Sirius.

The analysis of compensation paid by Sirius for the right to broadcast MSO content is very similar to the analysis for the other properties. We believe the following elements are of critical importance for this analysis:

- Brand value contribution
- Endorsement value contribution
- Exclusivity
- Content value

We calculated the value of each the non-content value elements as of the date the contract was signed and stated it in then-present value terms.

A. Net Present Value of Contract Cost

The net present value of the contract cost for the MSO contract as of April 12, 2005, is
[[]] (*see* SDARS-Consor Ex. 5).

B. Trademark Licensing Brand Value Contribution Analysis

The adjustment for the value contribution of the Martha Stewart ("MS") brand is based upon an analysis of comparable market-based brand royalty rate transactions. Based on this research and analysis, we have concluded that the MS brand typically would command royalty rates in the range of 8% - 12% of wholesale revenue. Moreover, because most royalty rate comparables are pegged to non-exclusive arrangements, we adjusted the royalty rate range upward to reflect the exclusive nature of the MSO contract. Thus, we incorporated a 25% premium to reflect this element—for an adjusted range of 10% - 15%. (*see* SDARS-Consor Ex. 6).

The wholesale revenue basis is equivalent to the competitive cost of the branded content grossed up by an appropriate profit margin, which is based on broadcast radio industry data. We multiplied the equivalent wholesale revenue basis by the appropriate market-based royalty rate to arrive at an estimated fair market value of the brand usage by Sirius, which we deducted from the total compensation paid to MSO. Applying the 10% to 15% range of royalty rates to the equivalent wholesale revenue basis leads to an indicated brand value of \$2.8 million to \$4.2 million in net present value terms (*see* SDARS-Consor Ex. 12).

C. Endorsement Value Contribution Analysis

Having accounted for the brand value attribution, the next adjustment refers to the endorsement value that the MS brand provides to the Sirius brand itself. With the association of

such a well known endorser, the brand recognition and transference of consumer loyalty from MSO to the Sirius brand is a valuable asset, albeit one that may have lost significant value in the 2004-2005 period leading up to the contract negotiation, due to Ms. Stewart's personal legal troubles.

As stated above, the best way to measure this endorsement component is to analyze the market value of concurrent endorsements provided by similar properties or by well-known personalities in similar fields. Based on our analysis of comparable endorsement agreements, at the time of the contract signing, the appropriate endorsement value associated with MS would fall in the second quartile of the distribution, which ranges from \$3.0 million to \$4.1 million annually. Applying this range of compensation over the four-year contract term leads to an indication of fair market value of the MS endorsement of \$8.6 million to \$11.7 million in net present value terms (*see* SDARS-Consort Exs. 8 and 12).

D. Exclusivity

MSO programming is exclusive in the satellite radio platform. This provision is a key value driver in the determination of fair market compensation. Because it is not explicitly segregated in the contract, we undertook a proxy calculation to estimate the value of exclusivity, and carve it out of the brand and endorsement value adjusted cost of the programming contract to arrive at the residual value of the non-exclusive content.

We applied the calculated discount range, 66.1% to 72.2%, to the brand and endorsement value adjusted contract cost to calculate the range of fair market value of the exclusivity attribute of the contract. In dollar terms, the adjustment is estimated to range from \$3.5 million to \$6.2 million in net present value terms. (*see* SDARS-Consort Ex. 12).

E. Summary of the MSO Compensation Value Attribution

After carving-out the value attributable to the three embedded components – brand value, endorsement value, and exclusivity – the residual non-exclusive contract cost (“RNECC”) for the MSO programming agreement is calculated to range from \$1.3 million to \$3.2 million. In other words, the RNECC represents between 6.4% and 15.3% of the total cost of the MSO contract (*see* SDARS-Consor Ex. 12). This analysis is summarized as follows:

Element	Lower Value (\$000s)	Upper Value (\$000s)
NPV of Contract Cost	\$ 20,774	\$ 20,774
Brand	4,246	2,831
Endorsement	11,705	8,565
Exclusivity	3,484	6,202
RNECC	\$ 1,339	\$ 3,177
RNECC as % of Contract Cost	6.4%	15.3%

VI. ANALYSIS OF THE HARPO RADIO (OPRAH WINFREY) CONTRACT

Oprah Winfrey is best known as television’s highest rating talk show host in history. The enormous success of her show has anchored a growing business, conducted under privately-held Harpo Entertainment (“Harpo”), and allowed for her well-publicized philanthropy.

Harpo is an intellectual property business, generating content for its multiple outlets in television, motion pictures, publishing and, beginning in 2006, satellite radio through XM.

The analysis of compensation paid by XM for the right to broadcast Harpo content is very similar to the analysis for the other properties. We believe the following elements are of critical importance for this analysis:

- Brand value contribution
- Endorsement value contribution
- Exclusivity
- Content value

We calculated the value of each the non-content value elements as of the date the contract was signed and stated it in then-present value terms.

A. Net Present Value of Contract Cost

The net present value of the contract cost for the Oprah Winfrey contract as of January 31, 2006, is [[]] (*see* SDARS-Consor Ex. 5).

B. Brand Value Contribution Analysis

The adjustment for the value contribution of the Oprah Winfrey ("OPRAH") brand is based upon an analysis of comparable market-based brand royalty rate transactions. Based on this research and analysis, we have concluded that the OPRAH brand typically would command royalty rates in the range of 12% - 16% of wholesale revenue. Moreover, as most royalty rate comparables are pegged to non-exclusive arrangements, the royalty rate range must be adjusted upward to reflect the exclusive nature of the Harpo contract. Thus, we have incorporated a 25% premium to reflect this element—for an adjusted range of 15% - 20%. (*see* SDARS-Consor Ex. 6).

As noted, the wholesale revenue basis is equivalent to the competitive cost of the branded content grossed up by an appropriate profit margin, which is based on broadcast radio industry data. We multiplied the equivalent wholesale revenue basis by the appropriate market-based royalty rate to arrive at an estimated fair market value of the brand usage by XM, which is then deducted from the total compensation paid to Harpo. Applying the 15% to 20% range of royalty rates to the equivalent wholesale revenue basis leads to an indicated brand value of \$8.6 million to \$11.5 million in net present value terms (*see* SDARS-Consor Ex. 13).

C. Endorsement Value Contribution Analysis

Having accounted for the brand value attribution, the next adjustment refers to the endorsement value that the OPRAH brand provides to the XM brand itself. The association with

such an influential personality, and the diverse group of consultants and subject matter experts associated with the programming, the brand recognition and transference of consumer loyalty from OPRAH and the other content in publishing and television to the XM brand is a valuable asset.

As stated above, the best way to measure this endorsement component is to analyze the market value of concurrent endorsements provided by similar properties or by well-known personalities in similar fields. Based on our analysis of comparable endorsement agreements, at the time of the contract signing, we conclude that the appropriate endorsement value associated with OPRAH would fall in the upper quartile of the distribution, which ranges from \$4.1 million to \$5.0 million annually. Applying this range of compensation over the three-year contract term leads to an indication of fair market value of the OPRAH endorsement of \$9.4 million to \$11.4 million in net present value terms (*see* SDARS-Consor Exs. 8 and 13).

D. Exclusivity

The agreement gives XM [[

]] Because it is not

explicitly segregated in the contract, we carried out a proxy calculation to estimate the value of exclusivity, and carve it out of the brand and endorsement value adjusted cost of the programming contract to arrive at the residual value of the non-exclusive content.

To value the exclusivity provision, we applied the same methodology utilized in the Stern analysis, above. As such, we applied the calculated discount range, 29.5% to 35.9%, to the brand and endorsement value adjusted contract cost to calculate the range of fair market value of the exclusivity attribute of the contract. In dollar terms, we estimate the adjustment to range from \$6.9 million to \$7.2 million in net present value terms. (*see* SDARS-Consor Ex. 13).

E. Summary of the Harpo Compensation Value Attribution

After carving out the value attributable to the three embedded components – brand value, endorsement value, and exclusivity – we calculated the residual non-exclusive contract cost (“RNECC”) for the Harpo programming agreement to range from \$12.4 million to \$17.1 million. In other words, the RNECC represents between 29.3% and 40.4% of the total cost of the Harpo contract (*see* SDARS-Consor Ex. 13). This analysis is summarized as follows:

Element	Lower Value (\$000s)	Upper Value (\$000s)
NPV of Contract Cost	\$ 42,216	\$ 42,216
Brand	11,505	8,628
Endorsement	11,416	9,361
Exclusivity	6,919	7,157
RNECC	\$ 12,377	\$ 17,070
RNECC as % of Contract Cost	29.3%	40.4%

VII. ANALYSIS OF THE “OPIE & ANTHONY” CONTRACT

The Opie & Anthony (“O&A”) agreement with XM was signed in August of 2004. [[

]] The same value elements important in the other analyses are

important to this relationship as well:

- Brand value contribution
- Endorsement value contribution
- Exclusive use of the brand, endorsement and content
- Content value

We calculated the value of each the non-content value elements as of the date the contract was signed and stated it in then-present value terms.

A. Net Present Value of Contract Cost

The net present value of the contract cost for the O&A contract as of August 2, 2004, is
[[]] (*see* SDARS-Consor Ex. 5).

B. Brand Value Contribution Analysis

Although the O&A brand had been off the air and out of the public eye for over a year by the time this contract was negotiated with XM, the exposure and notoriety enjoyed by O&A provided some degree of brand strength protection. This is evident in the terms of the agreement. A significant driver for negotiating with O&A in the first place was the existing awareness held by the brand in several key markets, including New York, Chicago, Philadelphia and Boston.

The first step in the analysis considers the portion of total compensation paid that is attributable to the exclusive use of the O&A brand in XM's marketing and promotional activities.

The valuation of the O&A brand is based upon an analysis of comparable market-based brand royalty rate transactions. Based on this research and analysis, we have concluded that the O&A brand typically would command royalty rates in the range of 8% - 12% of wholesale revenue. Moreover, as most royalty rate comparables are pegged to non-exclusive arrangements, the royalty rate range must be adjusted upward to reflect the exclusive nature of the O&A contract. Thus, we have incorporated a 25% premium to reflect this element—for an adjusted range of 10% - 15%. (*see* SDARS-Consor Ex. 6).

The wholesale revenue basis is equivalent to the competitive cost of the branded content grossed up by an appropriate profit margin, which is based on broadcast radio industry data. The equivalent wholesale revenue basis is then multiplied by the appropriate market-based royalty rate to arrive at an estimated fair market value of the brand usage by XM, which is then deducted

from the total compensation paid to O&A. Applying the 10% to 15% range of royalty rates to the equivalent wholesale revenue basis leads to an indicated brand value of \$1.7 million to \$2.6 million in net present value terms (*see* SDARS-Consor Ex. 14).

C. Endorsement Value Contribution Analysis

The next step is to calculate the value of the exclusive endorsement of the XM system by O&A to account for the endorsement by O&A of the XM satellite radio service. In addition, O&A are obligated under their contract [[

]]

As stated above, the best way to measure this endorsement component is to analyze the market value of concurrent endorsements provided by similar properties or by well-known personalities in similar fields. O&A are obviously well-known in certain markets, but the awareness of the brand, and therefore its value as an endorsement vehicle, may be limited in other markets across the nation.

Based on our analysis of comparable endorsement agreements, at the time of the contract signing, the appropriate endorsement value associated with O&A would fall within the third quartile of comparable endorsement deals, which ranges from \$2.0 million to \$2.5 million annually. Applying this range of compensation over the five-year contract term leads to an indication of fair market value of the O&A endorsement of \$6.7 million to \$8.4 million in net present value terms (*see* SDARS-Consor Exs. 8 and 14).

D. Exclusivity

As stated above, the contract with O&A grants XM [[

]] This provision is a

key value driver in the determination of fair market compensation. Because it is not explicitly

segregated in the contract, we must undertake a proxy calculation to estimate the value of exclusivity, and carve it out of the brand and endorsement value adjusted cost of the programming contract to arrive at the residual value of the non-exclusive content.

To value the exclusivity provision, we applied the same methodology utilized in the Stern analysis above. As such, we applied the calculated discount range, 14.6% to 18.6%, to the brand and endorsement value adjusted contract cost to calculate the range of fair market value of the exclusivity attribute of the contract. In dollar terms, the adjustment is estimated to range from \$0.3 million to \$0.6 million in net present value terms. (*see* SDARS-Consor Ex. 14).

E. Summary of O&A Compensation Value Attribution

After carving-out the value attributable to the three embedded components – brand value, endorsement value, and exclusivity – the residual non-exclusive contract cost (“RNECC”) for the O&A programming agreement is calculated to range from \$1.3 million to \$3.5 million. In other words, the RNECC represents between 10.4% and 28.1% of the total cost of the O&A contract (*see* SDARS-Consor Ex. 14). This analysis is summarized as follows:

Element	Lower Value (\$000s)	Upper Value (\$000s)
NPV of Contract Cost	\$ 12,543	\$ 12,543
Brand	2,564	1,709
Endorsement	8,380	6,704
Exclusivity	298	605
RNECC	\$ 1,301	\$ 3,525
RNECC as % of Contract Cost	10.4%	28.1%

CONCLUSION

Based on the brand licensing and endorsement research we have performed and the contract review and analytical valuation framework we have applied, we have determined the following upper and lower bounds for the composition of the net present value of the programming contracts considered:

**Contract Cost Composition
(Upper Bound)**

Contract (Date of PV)	Net Present Value (NPV) of Contract Cost (\$000's)	Exclusive Brand Value Carve-out	Exclusive Endorsement Value Carve-out	Exclusivity Value Carve- out	Residual Non- Exclusive Contract Cost (RNECC)
Stern (10/04)	\$ 245,932	\$ 50,266	\$ 16,314	\$ 132,759	\$ 46,594
MLB (10/04)	279,993	48,166	24,680	145,003	62,144
NFL (12/03)	122,118	21,008	22,882	70,406	7,823
NASCAR (2/05)	60,560	12,378	16,642	21,426	10,114
STEWART (4/05)	20,774	2,831	8,565	6,202	3,177
HARPO (1/06)	42,216	8,628	9,361	7,157	17,070
O & A (8/04)	12,543	1,709	6,704	605	3,525

**Contract Cost Composition
(Lower Bound)**

Contract (Date of PV)	Net Present Value (NPV) of Contract Cost (\$000's)	Exclusive Brand Value Carve-out	Exclusive Endorsement Value Carve-out	Exclusivity Value Carve- out	Residual Non- Exclusive Contract Cost (RNECC)
Stern (10/04)	\$ 245,932	\$ 67,021	\$19,895	\$ 25,881	\$ 33,136
MLB (10/04)	279,993	61,996	35,899	127,469	54,630
NFL (12/03)	122,118	27,039	33,283	55,616	6,180
NASCAR (2/05)	60,560	16,504	24,963	14,101	4,993
STEWART (4/05)	20,774	4,246	11,705	3,484	1,339
HARPO (1/06)	42,216	11,505	11,416	6,919	12,377
O & A (8/04)	12,543	2,564	8,380	298	1,301

On this basis, we have formed the following opinions:

1. The branded properties provide significant value to the SDARS for which the branded properties extract significant fees , beyond the value of the content itself;
2. The calculated value of the content provided by the branded contracts itemized is, typically, a small proportion of the total contract cost. In the aggregate, the value of the brand, endorsement, and exclusivity components identified in this analysis range from 78.8% to 86.8%, with a median of 82.8% of the contract compensation; and
3. The average economic value of the underlying content represents no more than 13.2% to 21.2% of the branded programming contract costs incurred by the SDARS, with a median of 17.2%.

Before the
COPYRIGHT ROYALTY JUDGES
LIBRARY OF CONGRESS
Washington, D.C.

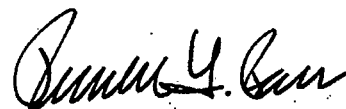
In the Matter of

Adjustment of Rates and Terms for
Preexisting Subscription and Satellite
Digital Audio Radio Services

Docket No. 2006-1 CRB DSTRA

DECLARATION OF RUSSELL L. PARR

I, Russell L. Parr, declare under penalty of perjury that the statements contained in my Written Rebuttal Testimony in the above-captioned matter are true and correct to the best of my knowledge, information and belief. Executed this 24th day of July 2007.



Russell L. Parr

Before the
COPYRIGHT ROYALTY JUDGES
LIBRARY OF CONGRESS
Washington, D.C.

In the Matter of)
)
)

Adjustment of Rates and Terms for)
Preexisting Subscription and Satellite)
Digital Audio Radio Services)
_____)

Docket No. 2006-1 CRB DSTR

DECLARATION OF DARYL MARTIN

I, Daryl Martin, declare under penalty of perjury that the statements contained in my Written Rebuttal Testimony in the above-captioned matter are true and correct to the best of my knowledge, information and belief. Executed this 24th day of July 2007.

Daryl Martin

Daryl Martin

Curriculum Vitae

Daryl Martin, Vice President

Mr. Martin oversees the valuation division at CONSOR® Intellectual Asset Management in La Jolla, California. He is responsible for analyzing various types of intellectual property and intangible assets including trademarks, copyrights, patents, trade secrets, domain names, mailing lists, and customer databases. With over 10 years of financial analysis and valuation experience, Mr. Martin has worked on over 150 valuation projects. Mr. Martin's extensive background includes valuing intangible assets for the purposes of loan securitization, acquisitions/mergers, joint ventures, licensing transactions, transfer pricing, bankruptcy filings, and litigation support.

Mr. Martin's broad experience includes time as a Senior Financial Analyst for ConAm Management, a real estate investment company, where he supervised all valuation activity for the Asset Management Division. While there, he was responsible for detailed asset valuations and financial reporting functions on syndicated real estate investment portfolios.

Prior to joining ConAm Management, Mr. Martin performed mutual fund valuation and financial reporting as a Financial Reporting Analyst for the Franklin Templeton Group. During his tenure, Mr. Martin was responsible for preparing revenue projections and financial statements, performing budget analyses, and generating monthly financial packages for management.

Mr. Martin is an honors graduate of San Diego State University with his undergraduate degree in Business Administration and his Masters in Finance.

PROFESSIONAL ASSOCIATIONS

- American Bankruptcy Institute
- Association of Insolvency & Restructuring Advisors
- CFA Institute
- International Trademark Association
- Licensing Executives Society
- Turnaround Management Association

SPEECHES & PRESENTATIONS

- "Patent Valuation" – Patent Law Institute – San Francisco, California; January 2007
- "Intellectual Property: Damages and Lost Profits" – National Association of Certified Valuation Analysts (NACVA) Annual Meeting – San Diego, California; December 2006 (Instructor)
- "Leveraging the Brand: How Intellectual Property is Changing Turnarounds" – Turnaround Management Association Annual Meeting – Orlando, Florida; October 2006
- "Fundamentals of Intellectual Property Valuation" – IP Licensing Summit – New York, New York; August 2006
- "Perfecting Security Interests in Intellectual Property" – HSBC and Phillips Lytle – New York, New York; March 2006

- "Effective IP Litigation Support and Valuation" – LeBoeuf, Lamb, Greene & MacRae, LLP – New York, New York; February 2006 (CLE Presentation)
- "Opening the Black Box: IP Valuation, Securitization and Disposition Unveiled" – The Commercial Finance Association – San Diego, California; November 2005
- "Effective IP Litigation Support and The Use of Valuation Tools" – Christensen, Miller, Fink, Jacobs, Glaser, Weil & Shapiro, LLP– Los Angeles, California; October 2005 (CLE Presentation)
- "Corporate Identity Value: The Valuation of Goodwill and Trademarks" – The American Bar Association Section of Intellectual Property Valuation – Arlington, Virginia; April 2005
- "IP Valuation and Licensing: Understanding The One To Facilitate The Other" – San Diego Telecom Council IPSIG & San Diego Chapter of the Licensing Executives Society – San Diego, California; February 2005
- "MasterCard Brand and Technology Valuation Framework" – Presented to the Brand Strategy Management Team – Purchase, New York; September 2004
- "360 Degree Brand Stewardship – Brand Valuation, Licensing/Leverage and Management" – Ogilvy & Mather – New York, New York; September 2004
- "Cross Border Transaction Issues in Electronic Commerce and Internet Licensing Transactions" – San Diego Chapter of the Licensing Executives Society – La Jolla, California; October 2003
- "Valuing and Leveraging of the Powerball Brand" – Presented to the Multi-State Lottery Association Board of Directors – New Orleans, Louisiana; September 2003
- "Identifying and Accurately Valuing IP and Intangible Assets" – GE Capital – La Jolla, California; June 2003
- "Intellectual Asset Management – Valuation of Intellectual Property and Intangible Assets" – San Diego Bar Association – La Jolla, California; December 2002
- "Intellectual Asset Management" – Gray Cary – San Diego, California; February 2002

PUBLICATIONS

- "Intellectual Property Valuation Techniques," *The Licensing Journal*, October 2006
- "The Secured Lender - Second Installment," www.ipfrontline.com, March 2006
- "The Secured Lender - Parts I & II," www.ipfrontline.com, January 2006
- "The Impact of SFAS 141 & 142 on Intangible Asset Management," *The Secured Lender*, November 2005
- "Intellectual Property Valuation: Context is Critical," *The Secured Lender*, September 2005
- "Intellectual Property: Collateral for Securitization or Lending," *The Secured Lender*, July 2005
- "Accurate IP Valuation in Multiple Environments," *IAM - Intellectual Asset Management*, February/March 2004
- "Understanding the Value and the Risk," *ABF Journal*, January 2004
- "What's It Worth? Context Continuum," *The Licensing Journal*, September 2002

LITIGATION SUPPORT EXPERIENCE

LOUIS VUITTON MALLETIER, v. DOONEY & BOURKE, INC., Case No. 04 Civ. 2990, United States District Court, Southern District of New York; expert report regarding trademark infringement and dilution damages (litigation pending).

ARONCHICK / INKINE v. WOLF BLOCK, ET AL., Court of Common Pleas, Philadelphia County, PA. Civil Action 0712 (Nov. Term, 2004); expert report regarding customs and practices and economic damages stemming from lost patent royalties in the pharmaceutical industry (litigation pending).

WORLD TRIATHLON CORPORATION, INC. v. DAWN SYNDICATED PRODUCTIONS ET AL., Case No. 8:05 CV-983-T27 EAJ, United States District Court Middle District of Florida, Tampa Division; expert report related to intellectual property customs and practices, valuation, and calculation of damages; specifically federal trademark infringement, false designation of origin and dilution, as well as Florida common law trademark infringement (litigation pending).

CYCLONE USA, INC. v. LL&C DEALER SERVICES, LLC, Docket No. CV-03-0992 WMB (JWJx), United States District Court for the Central District of California; expert witness testimony and report regarding calculation of damages (February 2006).

RICHARD BACH AND RUSSELL MUNSON v. FOREVER LIVING PRODUCTS U.S., INC., ET AL., Case No. C05-0970P, Second Amended Complaint, U.S. District Court for Western District of Washington at Seattle; expert report related to valuation of damages for the infringement of trademarks and copyrights (case settled).

DON FELDER v. EAGLES LTD., ET AL., Case No. BC244814, Superior Court of the State of California for the County of Los Angeles, Central District; expert report prepared for the purpose of, and for use in, mediation as it related to the fair market value of the damages stemming from wrongful termination of employment and breach of fiduciary duty. Active participation in mediation providing qualitative and quantitative analysis to provide mediator with a framework for resolution of dispute over trademark damages (July 2006).

DIGITAL ENVOY INC. v. GOOGLE INC., Case C 04 01497 RS, U.S. District Court of the Northern District of California, San Jose Division; expert report regarding calculating damages, specifically Breach of Non-Disclosure Agreement and Trade Secret Misappropriation (April 2006) (Case settled)..

HAMBRECHT WINE GROUP, L.P. D/B/A BELVEDERE WINERY, L.P. v. MILLENNIUM IMPORT, LLC., Case No. C-5 4625, United States District Court, Northern District of California; expert report provided rebuttal discussion and opinions in the area of intellectual property valuation and damages calculations (litigation pending).

PRECISION REPLACEMENT PARTS CORP. v. AUTO GLASS COMPONENTS, INC., Docket No. 04-CV-566L, United States District Court for the Western District of Washington at Seattle; deposition and expert witness testimony and report regarding calculation of loss in business valuation and economic damages (August 2005).

FLEETWOOD ENTERPRISES, INC. AND FLEETWOOD FOLDING TRAILERS, INC., PLAINTIFFS AND COUNTERCLAIM DEFENDANTS v. THE COLEMAN COMPANY, INC., Case No. 03 CV 2029, Eighteenth Judicial District Court, Sedgwick County, Kansas; expert report regarding breach of contract, customs and practices of holding (and other types of shared control or "parent") companies, and the use of trademarks in advertising and sales materials (August 2005).

JIMMY DEAN v. SARA LEE CORPORATION, Civil Action No. 5-04CV0039-C, United States District Court, Northern District of Texas Lubbock Division; expert report regarding the valuation of compensation paid for the acquisition of trademarks and rights of publicity (July 2005).

CACHE LA POUDRE FEEDS, LLC v. LAND O'LAKES, INC. ET AL.; Civil Action No. 04-D-329 (CBS); U.S. District Court District of Colorado; rebuttal report designed to identify and quantify errors made in estimating damages resulting from the alleged infringing actions of Defendant, specifically addressing the reasonable royalty determination, and the potential award of damages for the cost of corrective advertising (July 2005).

LAWRENCE PETER BERRA AKA YOGI BERRA v. TURNER BROADCASTING SYSTEM, INC., 1:05-cv-02233-RJH - NY Supreme Court No. 05/600339, Supreme Court of the State of New York, County of New York; expert report regarding calculation of damages stemming from the valuation of celebrity rights and rights of publicity (July 2005).

KEN'S FOODS, INC. v. KEN'S STEAK HOUSE, INC., Case No. 01-CV-11878-NG, United States District Court District of Massachusetts; expert report regarding trademark infringement and calculation of brand value and damages (December 2004).

PARKS v. LAFACE RECORDS ET AL, Civil Docket for Case No. 1:04 mi-00261, United States District Court, Northern District of Georgia; expert report regarding valuation of celebrity rights and images and calculation of damages (December 2004).

MONSTER CABLE PRODUCTS, INC. v. DISCOVERY COMMUNICATIONS, INC., Civil Action No. 03-CV-3250 (WHA), United States District Court for the Northern District of California; expert report regarding calculation of damages (August 2004).

CORBIS CORPORATION v. AMAZON.COM, INC. ET AL., Case No. CV03-1415L, United States District Court Western District of Washington; expert report regarding royalty rates, rights clearance fees, dilution of licensability, lost revenue, and calculation of damages (June 2004).

AMERIQUEST v. AMERICREST (OKLAHOMA), Case No. L7526-0585, United States District Court Western District of Oklahoma; expert report regarding trademark infringement, false designation of origin, unfair competition, trademark dilution, and calculation of damages (March 2004).

ADIDAS AMERICA, INC. ET AL v. PAYLESS SHOESOURCE, INC., Civil Document for Case No: 0:94-cv-03424-LDW, United States District Court Eastern District of New York; expert report regarding establishment of royalty rates for the use of the trade dress, calculations of royalty rate payments, lost profits, and damages (October 2003).

KLUGE DESIGN, INC. v. GENTRA SYSTEMS, INC., Civil Docket for Case No. 0:02-cv-00234-SRN-SRN, United States District Court District of Minnesota (DMN); expert report regarding calculation of damages stemming from misappropriation of proprietary software (August 2003).

CAVALIER v. THE JIM HENSON CO., LLASC Case No. BC 251828, United States District Court; expert report regarding misuse of intellectual property and calculation of damages (May 2003).

NATIONAL BEVERAGE CORP. EVERFRESH BEVERAGES, INC., FAYGO BEVERAGES, INC. AND HOME JUICE CORP. F/K/A HJMP CORP. v. GARDEN FOODS, INC., AND FRESH-PURE SPLASH JUICE COMPANY, Civil Action No. 01-73158, United States District Court for the Eastern District of Michigan Southern Division; expert report regarding dilution and trademark confusion (May 2003).

FISH BONES-SANDLAKE ROAD, INC. v. OUTBACK STEAKHOUSE, INC., BONEFISH GRILL, LLC, OS SEA, INC., AND INTERNATIONAL MARKET PLACE, INC., Case No. 6:02-CV-671-ORL-31JGG, United States District Court, Middle District of Florida Orlando Division; expert report regarding confusion (January 2003).

MARCEL FASHIONS GROUP, INC. v. LUCKY BRAND DUNGAREES, INC. AND FEDERATED DEPARTMENT STORES, INC. AND LIZ CLAIBORNE, INC., Civil Action No. 01-7495, United States District Court, Southern District of Florida; expert report regarding calculation of damages (January 2003).

PAUL FRANK INDUSTRIES, INC. v. ZEROS & ONES, INC., and DOES 1 through 15, inclusive, Case No. SA CV01-582DOC(ANx), United States District Court for the Central District of California; expert report regarding customs and practices relating to agreements for use of intellectual property and calculation of damages (April 2002).

YKK CORPORATION AND YKK (U.S.A.), INC. v. JUNGWOO ZIPPER CO., LTD., AND YPP (U.S.A.), INC., Civil Action No. C00-05731 FMC (RCx), United States District Court for the Central District of California; expert report regarding likelihood of confusion, trademark dilution, and calculation of damages (January 2002).

SAN FRANCISCO NETWORK v. SALISBURY MANUFACTURING CORPORATION; FAB INDUSTRIES, INC.; ET AL, Civil Action No. C99-5022 CRB (JL), United States District Court for the Northern District of California; expert report regarding licensing versus franchise agreements and infringement (December 2001).

CREATIVE COMPUTING d/b/a INTERNET TRUCKSTOP v. GETLOADED.COM LLC AND/OR CODIFIED CORPORATION, AND JACK C. MARTIN, Civil Action No. CIV 00-476-S-BLW, United States District Court for the District of Idaho; expert report regarding valuation and infringement (November 2001).

AMAZON.COM, INC., a Delaware Corporation v. VON ERIC LERNER KALAYDJIAN, d/b/a/ AMAZON COSMETICS AND TAN PRODUCTS, Civil Action No. CV 01-02041 R (AlJx), United States District Court Central District of California; expert report regarding trademark infringement (October 2001).

HEARTS ON FIRE COMPANY v. ALEXANDER M. WALDMAN DIAMOND COMPANY, INC., Civil Action No. 01 CV 4628(HB), United States District Court for the Southern District of New York; expert report regarding confusion and dilution of trademark (October 2001).

GENESCO, INC. v. MUDD, LLC, Case No. 3:2000-cv-00641, United States District Court for the Middle District Of Tennessee; expert report regarding licensing, royalty rates, and valuation (August 2001).

Professional Qualifications of Russell L. Parr, CFA

Mr. Parr is President of IPRA, Inc. He is a consultant, lecturer and publisher on intellectual property valuation and exploitation matters. His books are published in English, Japanese, Korean, Italian, Chinese and Russian. He is dedicated to the development of comprehensive methods for accurately defining the value of intellectual property.

Mr. Parr has completed complex consulting assignments involving the valuation and pricing of patents, trademarks, copyrights and other intangible assets. His opinions are used to accomplish licensing transactions, mergers, acquisitions, transfer pricing, litigation support, collateral-based financing, and joint ventures. Mr. Parr also conducts customized research into industry specific factors that drive royalty rates. He advises banks about the use of intangible assets as loan collateral and has served as an expert witness regarding intellectual property infringement damages.

Mr. Parr also publishes three royalty rate resource books, which have been sold all over the world. These books are dedicated to reporting detailed information about the economic aspects of intellectual property transactions including licensing and joint ventures.

Past assignments have included the valuation of the Dr. Seuss copyrights and the patent portfolio of AT&T. Mr. Parr has also conducted valuations and royalty rate studies for pharmaceuticals, semiconductor process and product technology, agricultural formulations, automotive battery technology, biotechnology, camera technology, chemical formulations, communications technology, computer software, cosmetics, consumer and corporate trademarks, drug delivery systems, flowers, incinerator feed systems, lasers, medical instrument technology, motivational book copyrights.

I. Education

Masters Business Administration, Rutgers University, 1981;
Bachelor of Science in Electrical Engineering, Rutgers University, 1976;
Coursework toward Ph.D. in the International Business Management Program at Rutgers University.

II. Professional Designations and Honors

Chartered Financial Analyst (CFA), CFA Institute
Rutgers Alumni Association – Class of '31 Award.
Rutgers Alumni Association – Loyal Sons Award.

III. Professional Affiliations

Innovation Asset Group, Inc. – Advisory Board
Intangible Asset Valuation Standards Committee of the American Society of Appraisers - Member
Licensing Executives Society – Member
Licensing Economics Review – Editorial Board
The Licensing Journal – Advisory Board
American Society of Appraisers, Past President, Princeton Chapter
Rutgers University Alumni Association, Past Board Director

IV. Publications - Books

Royalty Rates for Licensing Intellectual Property, author, John Wiley & Sons, Hoboken, New Jersey, 2007
Royalty Rates for Technology, Third Edition, Intellectual Property Research Associates, Yardley, Pennsylvania, 2003.

The Royalty Rate Report for Pharmaceuticals & Biotechnology, Fifth Edition, Intellectual Property Research Associates, Yardley, Pennsylvania, 2002.

Royalty Rates for Trademarks & Copyrights, Third Edition, Intellectual Property Research Associates, editor, Yardley, 2004.

Patent Valuation and Royalty Rates: The Relief from Royalty Valuation Method, Intellectual Property Research Associates, Yardley, Pennsylvania, 2004.

Technology Licensing - Corporate Strategies for Maximizing Value, co-author, John Wiley & Sons, Hoboken, New Jersey, 1996. Translated into Chinese.

Intellectual Property: Valuation, Exploitation & Infringement Damages, co-author, John Wiley & Sons, Hoboken, New Jersey, 2005.

Valuation of Intellectual Property and Intangible Assets, Third Edition, annually supplemented, co-author, John Wiley & Sons, Hoboken, New Jersey, 2000.

Investing In Intangible Assets: Finding and Profiting From Hidden Corporate Value, author, John Wiley & Sons, Hoboken, New Jersey, 1991.

Intellectual Property: Licensing and Joint Venture Profit Strategies, Third Edition, annually supplemented, co-author, John Wiley & Sons, Hoboken, New Jersey, 2004.

Intellectual Property Infringement Damages: A Litigation Support Handbook, Second Edition, annually supplemented, author, John Wiley & Sons, Hoboken, New Jersey, 1999.

V. Publications - Articles

Investment Theory For Royalty Rates, co-authored, les Nouvelles - The Journal of the Licensing Executive Society, December 1987, page 95.

Royalties - Fair Rates of Return, Patent World, July 1988, page 36.

IRS White Paper On Intercompany Pricing, co-authored, Trademark World, February 1989, page 28.

Brand Name Buying, Registered Representative, February 1990, page 46.

The Inefficient Market for Intellectual Property: An Update on the Global Scene, The Journal of Proprietary Rights, February 1990, page 17.

Royalty Rate Economics, European Intellectual Property Review, April 1990, page 133.

No Name. No Gain, Personal Investor, May 1990, page 27.

An Economic Approach to Royalty Rate Determination Part I of III, co-authored, The Journal of Proprietary Rights, June 1990, page 19.

An Economic Approach to Royalty Rate Determination Part II of III, co-authored, The Journal of Proprietary Rights, August 1990, page 17.

How To Make Money By Investing In Innovative Leaders, Boardroom Reports, August 1, 1991, page 14.

An Economic Approach to Royalty Rate Determination Part III of III, co-authored, The Journal of Proprietary Rights, September 1990, page 17.

Determining Royalty Rates for Intellectual Property by Using a Discounted Cash Flow Analysis Pricing, Business & Tax Planning Quarterly, Fall 1990, page 23.

The Power of Trademarks in Mature Industries, Licensing Product Times, Fall Issue 1991, pg. 1.

The Future is Intangible: Licensing and Joint Venturing Will Create Higher Corporate Value, International Company and Commercial Law Review, page 313.

The New Focus of Acquisitions Is Intangible, Licensing Economics Review, Dec. 1991, pg. 19

Intangible Asset Investing: Basic Trend of '90s, Successful Innovator, March-April 1992, Vol. 1 No. 3, page 6.

Valuation Issues in Transfer Pricing, chapter co-author, Transfer Pricing Handbook, edited by Robert Feinschreiber, published by John Wiley & Sons, 1993.

The Doubled-Barreled Benefits of Acquiring a Brand, Mergers & Acquisitions, March-April 1993, page 36.

The Future Is Intangible, The TQM Magazine, March-April 1993, page 7.

Emergence of Intellectual Property Exploitation Strategies, The Licensing Journal, May 1993, page 10.

Quantitative Methods of Valuing Intellectual Property, chapter co-author, The New Role of Intellectual Property in Commercial Transactions, edited by Melvin Simensky and Lanning G. Bryer, published by John Wiley & Sons, 1994.

Intellectual Property Takes Center Stage, Multimedia and Technology Licensing Law Report, July 1994, page 1.

Royalty Rates in General and on Average, The Journal of Technology Transfer, September 1995, Vol. 20, No. 2, page 22.

Damage Awards, The IP Litigator, November/December 1995, Volume 1, Number 1, page 23.

IP Leverage, Chapter Thirteen of the book titled From Ideas to Assets, edited by Bruce Berman and published by John Wiley & Sons, New York, 2002.

VI. Conferences Presentations

Determining Royalty Rates, presented at the SW Washington and Oregon Licenseing Executive Society Chapter Meeting, Portland Oregon, November 17, 2006.

Royalty Rates In and Out of Litigation, presented at the Law Seminars International conference titled Complex Intellectual Property Licensing, Philadelphia, Pennsylvania, May 19, 2005.

Valuation of Patents Using the Relief from Royalty Approach, presented at the National Association of Certified Valuation Analysts Twelve Annual Consultants' Conference, Philadelphia, Pennsylvania, June 2, 2005.

Recent Royalty Rate Trends in Technology Licensing, presented to the Licensing Executives Society Annual Conference, San Diego, California, Illinois, September 24, 2003.

Calculating Royalty Rates, presented to the Licensing Executives Society Annual Conference, San Diego, California, Illinois, September 23, 2003.

Royalty Rate Derivation Methods, presented to the Licensing Executives Society Annual Conference, Chicago, Illinois, October 2002.

Royalty Rates for Technology, presented to the Licensing Executives Society Chicago Chapter, Chicago, Illinois, February 26, 2002.

Valuation and Royalty Rate Methods for Pharma and Biotech, presented at the Strategic Research Institute conference titled Pharma Biotech: Intellectual Property and Business Development, Crowne Plaza Hotel, San Francisco, California, April 23, 2001.

Patent Valuation and Royalty Rate Development, presented at the 2000 Licensing Executives Society Conference, Toronto, Ontario, Sheraton Centre, September 11, 2000

Intellectual Property Valuation Issues and Strategies, presented at the Singapore-WIPO Joint Training Course for Asian and Pacific Region on Intellectual Property and Technopreneurship Development, November 16, 1999, Hotel Rendezvous, Singapore, Jointly sponsored by World Intellectual Property Organization and the Government of Singapore.

Intellectual Property Valuation presented at the 10th Annual Cyberspace Licensing in the Electronic Age conference, sponsored by Glasser LegalWorks, Marriott Marquis, New York City, November 8, 1999.

Methods for the Valuation of Intellectual Property, presented at Seminario Internaional sobre Valorization de la Propiedad Intelectual, November 19 and 20, 1998, Sheraton Hotel, Lima Peru, sponsored by INDECOPi of Peru and the World Intellectual Property Organization, of the United Nations.

Methods for the Valuation of Intellectual Property, presented at Seminario Internaional sobre Valorization de la Propiedad Intelectual, November 19 and 20, 1998, Sheraton Hotel, Lima Peru, sponsored by INDECOPi of Peru and the World Intellectual Property Organization, of the United Nations.

Valuing Intellectual Property: What's it Worth? presented at the American Conference Institute's conference titled Intellectual Property in Business Transactions, The Park Lane Hotel, New York City, January 30, 1997.

Economic Factors for Intellectual Property Portfolio Management presented at the Licensing Executives Society E4 Committee Winter Conference titled Portfolio Management Strategies, Crystal Gateway Marriott, Crystal City, Virginia, December 12, 1996.

Basic Intellectual Property Valuation for Licensing Executives presented at the 1996 Licensing Executives Society Conference, El Conquistador Resort, Fajardo, Puerto Rico, September 30, 1996.

Intellectual Property Valuation and Licensing, presented to the Office of Corporate Relations and Technology Transfer of Rutgers University, co-hosted with Michael J. Lennon of Kenyon & Kenyon, Piscataway, New Jersey, June 26, 1996.

Establishing Royalty Rates for Business Transactions, presented at the conference titled The Basics of Licensing and Licensing Law, sponsored by The Licensing Journal, Kent Press, The University Club, New York, New York, March 27, 1996.

Computation of Damages, presented at the conference titled The Basics of Intellectual Property Litigation, sponsored by The IP Litigator, Kent Press, The University Club, New York, New York, March 28, 1996.

Intellectual Property Valuation, presented at the American Intellectual Property Law Association, 19th Mid-Winter Institute - The Law of Computer Related Technology IV, La Quinta Resort Hotel, Palm Springs, California, January 26, 1996.

A Conflicted Global Economy, presented at the 1995 Licensing Executives Society Annual Conference, Marriott's Orlando World Conference Center, Orlando Florida, October 24, 1995.

Technology Licensing Strategies, presented at the 1995 Licensing Executives Society Annual Conference, Marriott's Orlando World Conference Center, Orlando Florida, October 25, 1995.

Panel Discussion on Valuing Preclinical Trial Biodiagnostic Technology, presented at the 1995 Licensing Executives Society Annual Conference, Marriott's Orlando World Conference Center, Orlando Florida, October 26, 1995.

Valuation of Intellectual Property, presented at the First Annual Licensing Seminar of the New Jersey Intellectual Property Law Association, Woodbridge Hilton, Iselin, New Jersey, October 19, 1995.

Intellectual Property Valuation, presented at the Advanced Licensing Institute of the Franklin Pierce Law Center, Concord, New Hampshire, July 26, 1995.

New Trends in Intellectual Property, presented at the Intellectual Property Conference, Cooper Union, New York, New York, April 27, 1995

Intellectual Property Infringement Damages, presented at the American Society of Appraisers, Philadelphia Chapter, Business Valuation Conference, Sheraton of Bucks County, Fairless Hills, Pennsylvania, April 21, 1995.

Technology, Royalty Rates & Investment Risk, presented at the 1994 Licensing Executives Society Annual Conference, Hilton Waikoloa Village, Waikoloa, Hawaii, October 19, 1994.

Quantifying and Valuing Royalties for Intellectual Property presented at the annual conference of The Intellectual Property Institute for Corporate Counsel at Le Meridien Hotel, Chicago, Illinois, September 26, 1994.

Royalty Rate Negotiations, presented to the New Jersey Entrepreneurial Network, Princeton, New Jersey, June 1, 1994.

Valuing Intellectual Property presented at the American Society of Appraisers conference titled Current Topics in Business Valuation '94 at The Warwick Hotel, New York City on May 17, 1994.

Valuation of Intellectual Property Rights presented at the Fourth Annual American Law Institute-American Bar Association Course of Study titled Trademarks, Copyrights, and Unfair Competition for the General Practitioner, Stouffer Concourse Hotel, Washington, DC, April 15, 1994.

Technology Royalty Rates presented at the Association of Federal Technology Transfer Executives at the Los Angeles Airport Marriott, January 26, 1994.

The Wall Street Perspective - Brand Values presented at the conference titled Brands sponsored by Strategic Research Institute at The Grand Hyatt Hotel, New York, New York, November 10-11, 1993.

Quantifying and Valuing Royalties for Intellectual Property presented at the annual conference of The Intellectual Property Institute for Corporate Counsel at the Hyatt Regency, San Francisco, September, 30, 1993.

The New Role of Intellectual Property in Commercial Transactions presented as part of the Executive MBA Seminar Series at the Leonard N. Stern School of Business, New York University, New York City, March 26, 1993 and June 21, 1993.

Royalty Rates in Licensing & Litigation presented to the New Jersey Intellectual Property Law Association at the Forrestal Center Marriott Hotel, Princeton, NJ on January 14, 1993.

Technology Valuation presented at the conference titled Appraising Intellectual Property, sponsored by the American Society of Appraisers at Hyatt Regency at Reunion, Dallas, Texas, January 11, 1993.

Valuation and Royalty Rate Determination presented at the conference titled Licensing Opportunities in the Pharmaceutical and Biotechnology Industries sponsored by The Institute for International Research, Park Hyatt Hotel, Washington DC, December 2, 1992.

Hidden Corporate Assets and Royalties, presented at the Third Annual Invention Convention, The Pasadena Convention Center, Pasadena Ca., September 5, 1992.

Co-Chairman of the Conference titled Strategies for Intellectual Property Valuation, Exploitation and Underwriting sponsored by the Institute for International Research presented at the Park Lane Hotel, New York on May 18-19, 1992.

Valuation of Technology presented at the conference titled Joint Ventures and Other Cooperative Business Arrangements sponsored by Prentice Hall Law & Business and presented at the Loews-Summit Hotel on October 30-31, 1990.

Valuation of Technology presented at the conference titled Joint Ventures and Other Cooperative Business Arrangements sponsored by Prentice Hall Law & Business and presented at the Four Seasons Clift Hotel on November 9-10, 1991.

Advanced Valuation of Intellectual Property presented at the International Conference of the American Society of Appraisers in Washington DC on June 15, 1987.

Court Testimony, 1991 to Present

Case: Monsanto, Inc. v. Bayer Crop Science Civil Action No. 4:00CV01915 ERW, United States District Court for the Eastern District of Missouri

Issue: Infringement damages regarding agricultural-genetic patented invention.

Client: Bayer Crop Science

Case: Freedom Wireless, Inc. v. Boston Communications Group, Inc. et al, No. 00-CV-12234 EFH, United States District Court for the District Massachusetts

Issue: Infringement damages regarding prepaid wireless phone services

Client: Freedom Wireless

Case: PharmaStem Therapeutics, Inc. v. ViaCell, Inc., et al Civil Action No. 02-148-GMS, United States District Court for the District of Delaware

Issue: Infringement damages regarding cord blood collection and storage

Client: PharamStem

Case: Tulip Computers International B.V. v. Dell Computer Corp. Civil Action No. 00-981-Jordan United States District Court for the District of Delaware

Issue: Infringement damages regarding personal computer Form Factor.

Client: Tulip

Case: Honeywell International v. Hamilton Sundstrand, Inc. Civil Action No. 99-309-GMS (Sleet), United States District Court for District of Delaware.

Issue: Infringement damages regarding auxiliary power unit engine technology.

Client: Honeywell

Case: BioNumerik Pharmaceuticals, Inc. v. M. Gopal Nair, American Arbitration Association, No. AAA 70 181 0030900, Austin, Texas.

Issue: Damages to intellectual property and business value from failure to perform contracted obligations.

Client: BioNumerik

Case: Plant Genetics Systems v. DeKalb ., Civil Action No. 3:96CV02015, United States District Court for Connecticut, East Hartford.

Issue: Infringement damages regarding glufosinate resistant (Liberty herbicide) corn seeds.

Client: Plant Genetics Systems

Case: Plant Genetics Systems v. Novartis, Civil Action No. 96-459, United States District Court for the District of Delaware, Judge Farnan.

Issue: Infringement damages regarding agricultural-genetic patented invention.

Client: Plant Genetics Systems

Case: Pocklington Foods, Inc. v. Her Majesty the Queen in Right of the Province of Alberta as Represented by the Provincial Treasurer of Alberta, Court of Queens, Bench of Alberta, Judicial District of Alberta.

Issue: Appropriate methods for valuing expropriated trademarks.

Client: Pocklington Foods

Case: CFMT, Inc. and CFM Technologies, Inc. v. Steag Microtech, Inc. Civil Action No. 95-442 (McKelvie), United States District Court for the District of Delaware.

Issue: Infringement damages regarding semiconductor manufacturing equipment patent.

Client: CFMT, Inc.

Case: The Procter & Gamble Company v. Paragon Trade Brands, Inc., C.A. No. 94-16-LON, United States District Court for the District of Delaware, Wilmington, Delaware.

Issue: Infringement damages regarding disposable infant diaper patents.

Client: P&G

Case: Ensco Inc. v. Komar Industries, No. LR-C-93-159, United States District Court, Eastern District of Arkansas, Western Division, Little Rock, Arkansas.

Issue: Infringement damages regarding incinerator conveyor system.

Client: Ensco

Case: Gardner v. Ford Motor Company, United States District Court, District of Washington, Seattle, Washington.

Issue: Infringement damages regarding exhaust gas recovery system for automobiles and trucks.

Client: Gardner

Case: GNB Technologies, Inc. v. Exide Corporation, C.A. No. 88-407, United States District Court, District of Delaware, Wilmington, Delaware, Roderick P. McKelvie presiding.

Issue: Infringement damages regarding automotive battery terminal configuration.

Client: Exide

Case: In Re IA Holdings, Delaware County Court of Common Pleas, No. 86-14981, Media, Pennsylvania, Edward S. Lawhorne presiding.

Issue: Valuation of public company shares for dissenting shareholder lawsuit.

Client: Delaware County Court, Media, Pennsylvania

Case: Warner Lambert v. American Safety Razor, Civil Action No. 91-11, United States District Court, District of Delaware, Wilmington, Delaware, Joseph J. Farnan, Jr. presiding.

Issue: Infringement damages regarding placement of polyox strip on razor blade cartridges.

Client: American Safety Razor

Case: Wojick v. Wojick, Family Law Matter, No. 92-FA-836797, Cheyenne, Wyoming.

Issue: Valuation of closely held business, Cheyenne Outfitters, for divorce proceedings.

Client: Husband and wife.

VII. Deposition Testimony, 1991 to Present

Case: NEBL, Inc. and Jeffrey Dann, MD v. American Medical Systems, Inc., Civil Case No. 04-CV-12482 RGS, United States District Court District of Massachusetts

Issue: Infringement damages regarding urinary incontinence

Client: NEBL, Inc.

Case: Smith & Nephew, Inc. and John O. Hayhurst, MD v. Arthrex, Inc., Civil Case No. CV04 0029 SI, United States District Court District of Oregon

Issue: Infringement damages regarding shoulder anchors used in surgery

Client: Arthrex, Inc.

Case: Procter & Gamble v. The United States, Civil Case No. 1:05cv355 United States District Court District for the Southern District of Ohio Western Division
Issue: Value of technology given as a charitable donation
Client: Procter & Gamble

Case: Paul Cozza v. Network Associates, Inc., Civil Action No. 02-11135 RGS, United States District Court District of Massachusetts
Issue: Anti-virus software invention
Client: Network Associates, Inc.

Case: Lear Corporation v. Harness, Dickey & Pierce, PLC et al., Case, No. 03-054226-CK, State of Michigan, Circuit Court for the County of Oakland
Issue: Attorney Malpractice – loss of patent rights for interior automotive door manufacturing process
Client: Lear Corp.

Case: Cedars-Sinai Medical Center et al v. Mitchell, Silberberg & Knupp, Case, No. BC 297823, Superior Court for the State of California for the County of Los Angeles
Issue: Attorney Malpractice – loss of patent rights for laser eye surgery invention
Client: Cedars-Sinai

Case: Wesleyan Company v. US Army, ASBCA No. 53896, Armed Services Board of Contract Appeals
Issue: Taking of technology regarding On-The-Move Soldier Hydration System
Client: Wesleyan

Case: Freedom Wireless, Inc. v. Boston Communications Group, Inc. et al, No. 00-CV-12234 EFH, United States District Court for the District Massachusetts
Issue: Infringement damages regarding prepaid wireless phone services
Client: Freedom Wireless

Case: Edwards LifeSciences v. Sulzer Carbomedics, Inc. Civil Action No. 02-508-SLR United States District Court for the District of Delaware
Issue: Infringement damages regarding heart valve ring repair products
Client: Edwards LifeScience

Case: Novamedix Ltd. v. Kinetic Concepts, Inc. Civil Action No. SA-92-CA-0177 United States District Court for the Western District of Texas San Antonio Division
Issue: Infringement damages regarding compression therapy foot pump for DVT prevention
Client: KCI

Case: PharmaStem Therapeutics, Inc. v. ViaCell, Inc., et al Civil Action No. 02-148-GMS, United States District Court for the District of Delaware
Issue: Infringement damages regarding cord blood collection and storage
Client: PharmaStem

Case: Tulip Computers International B.V. v. Dell Computer Corp. Civil Action No. 00-981-Jordan United States District Court for the District of Delaware
Issue: Infringement damages regarding personal computer Form Factor:
Client: Tulip

Case: Monsanto, Inc. v. Bayer Crop Science Civil Action No. 4:00CV01915 ERW, United States District Court for the Eastern District of Missouri
Issue: Infringement damages regarding agricultural-genetic patented invention.
Client: Bayer Crop Science

Case: Edwards LifeSciences Corp and Edwards Lifesciences LLC v. Medtronic, Inc. Civil Action No. 00-621-SLR, United States District Court of Delaware
Issue: Infringement damages regarding patented technology used in artificial heart valves

Client: Edwards LifeScience

Case: Dr. George S. Allen. v. Howmedica Leibinger, Inc. et al, Civil Action No. 98-613 (JIF), United States District Court of Delaware

Issue: Misrepresentation of patent position regarding surgical imaging systems and markers.

Client: Dr. Allen

Case: Revlon Consumer Products Corp. v. The Estee Lauder Companies, Inc. et al, Civ. No. 00-CIV-5930 (RMB), United States District Court Southern District of New York

Issue: Infringement damages regarding patented technology used in makeup foundations.

Client: Estee

Case: Honeywell International, Inc. v. Hamilton Sunstrand Corporation, Civil Action No. 99-309 (GMS), United States District Court for the District of Delaware.

Issue: Infringement damages patented technology used in jet aircraft auxiliary power units.

Client: Honeywell

Case: Nova Biomedical Corporation v. iStat Corporation., Civil Action No. 95-11396-RGS, United States District Court District Court of Massachusetts.

Issue: Infringement damages regarding patented blood gas medical instrument.

Client: Nova

Case: Plant Genetics Systems v. DeKalb ., Civil Action No. 3:96CV02015, United States District Court for Connecticut, East Hartford.

Issue: Infringement damages regarding glufosinate resistant (Liberty herbicide) corn seeds.

Client: Plant Genetics Systems

Case: Crystal Semiconductor Corporation v. Opti, Inc. and TriTech Microelectronics, Inc., Civil Action No. 97-CA-026-SS, United States District Court for the Western District of Texas, Austin Division.

Issue: Noise reduction technology used in PC audio analog to digital converters.

Client: TriTech

Case: American Online, Inc. v. AT&T Corp., Case No. 98-1821-A, United States District Court for the Eastern District of Virginia.

Issue: Trademark infringement.

Client: Defendant

Case: Fort James Corporation v. Sweetheart Cup Company, Inc., Civil Action No. 97-C-1221, United States District Court for the Eastern District of Wisconsin.

Issue: Infringement of paper plate manufacturing technology.

Client: Fort James

Case: Plant Genetics Systems v. Novartis, Civil Action No. 96-459, United States District Court for the District of Delaware, Judge Farnan.

Issue: Infringement damages regarding agricultural-genetic patented invention.

Client: Plant Genetics Systems

Case: Evans Medical Ltd., Medeva Plc., and SmithKline Beecham v. American Cyanamid Company, 96 Civ. 3529 (WCC), United States District Court for the Southern District of New York.

Issue: Infringement damages regarding pertussis antigene (69k) patent.

Client: American Cyanamid

Case: Plant Genetics Systems v. Ciba Seeds and Mycogen Plant Science Inc., Civil Action No. 1:95CV00741, United States District Court for the Middle District of North Carolina, Durham Division.

Issue: Infringement damages regarding agricultural-genetic patented invention.

Client: Plant Genetics Systems

Case: Gerald L. Terwilliger v. York International, United States District Court, District of Richmond Virginia.

Issue: Employee compensation for patented invention

Client: Terwilliger.

Case: Thiokol Corporation v. Alliant Techsystems, Inc. and Hercules Inc., Case No. 95-706 (JJF), United States District Court, District of Delaware

Issue: Infringement damages regarding rocket motor insulation.

Client: Alliant.

Case: Nova Biomedical Corporation v. Mallinckrodt Sensor Systems, Inc., Case No. 94-12288-PBS, United States District Court, District of Massachusetts

Issue: Infringement damages regarding blood gas medical instrument.

Client: Nova.

Case: Mobil Oil Corporation v. Exxon Corporation, Case No. 96-1603-A, United States District Court for the Eastern District of Virginia, Alexandria Division

Issue: Infringement damages regarding plastic film resins.

Client: Mobil.

Case: Logan Farms v. Pravel et al., Harris County Court, Houston Texas

Issue: Patent attorney malpractice

Client: Logan Farms.

Case: CFMT, Inc. and CFM Technologies, Inc. v. Steag Microtech, Inc. Civil Action No. 95-442 (McKelvy), United States District Court for the District of Delaware.

Issue: Infringement damages regarding semiconductor manufacturing equipment patent.

Client: CFMT.

Case: Chemtron, Inc. v. Diversey US Holdings, Inc. et al., Civil Action No. 95-1722-A, United States District Court, Eastern District of Virginia, Alexandria Division.

Issue: Infringement damages regarding detergent dispensing system for institutional warewash.

Client: Chemtron.

Case: Gilbarco, Inc. v. Octel Communications Corp., Case No. C-94-20780-JW, United States District Court, Northern District of California, San Jose Division.

Issue: Infringement damages regarding voice information processing patents.

Client: Gilbarco.

Case: The Procter & Gamble Company v. Paragon Trade Brands, Inc., C.A. No. 94-16-LON, United States District Court for the District of Delaware, Wilmington, Delaware.

Issue: Infringement damages regarding disposable infant diaper patents.

Client: Paragon

Case: Ensco Inc. v. Komar Industries, No. LR-C-93-159, United States District Court, Eastern District of Arkansas, Western Division, Little Rock, Arkansas.

Issue: Infringement damages regarding incinerator conveyor system.

Client: Ensco

Case: GNB Technologies, Inc. v. Exide Corporation, C.A. No. 88-407, United States District Court, District of Delaware, Wilmington, Delaware, Roderick P. McKelvy presiding.

Issue: Infringement damages regarding automotive battery terminal configuration.

Client: Exide

Case: Allied Materials and Equipment Company, Inc. v. Pappa Geppetto's Toys Victoria, Ltd., Case No. 92-2030-0, United States District Court, District of Kansas.

Issue: Infringement damages regarding copyright toy - *The Squish*.

Client: Papa Geppetto's

Case: Kinetic Concepts, Inc. v. Support Systems International, Inc., Civil Action No. SA-91-CA-0927,
United States District Court, Western District of Texas.

Issue: Infringement damages regarding hospital bed therapeutic systems

Client: KCI

Case: Pfizer, Inc. v. Astra

Issue: Infringement damages associated with trademark suffix - XL.

Client: Pfizer

Case: Susan M. Maxwell v. K Mart Corp., Melville Corp., Morse Shoe Inc. and Shopko, Inc., Civil Action
No. 4-93-525, United States District Court, District of Minnesota.

Issue: Infringement damages regarding system to tie together pairs of shoes for rack display.

Client: Defendant

Case: Davis-Lynch, Inc. v. William Norvell

Issue: Damages regarding failure to obtain foreign patents for well-drilling equipment.

Client: Davis-Lynch

CONSOR Professionals Curricula Vitae

Qualifications of Weston Anson

I am Chairman of CONSOR, a licensing/consulting firm specializing in trademark, patent, and copyright licensing and valuations, including some work in giving expert testimony. The firm is headquartered in La Jolla, California, has offices in New York and London, and serves licensing clients in North America, Europe and Japan, as well as Australia and Latin America.

I have served for six years as Vice President of the Licensing Industry Merchandisers' Association (LIMA) and am a lifetime member of the Board of Advisors. With its main office in New York, LIMA is a non-profit organization of licensors, manufacturers and support organizations working to advance professionalism in licensing. Its main objectives are to institute and maintain a standard of ethical business practices in the licensed merchandise industry, and to establish and promote the industry within the government, the business community, other associations, the public, and the trade and consumer media.

An active member of the Licensing Executives Society (LES), I am a past Chairman of the Valuation Committee, the Internet Licensing E-Commerce Committee under the Business and Industry Sectors, and the Trademark Licensing Committee, a position that I resumed for the 2001-2002 term. In addition, I now sit on the LES International Board of Delegates. LES functions as a non-profit professional and educational society, encouraging high standards and ethics among persons engaged in the domestic and international licensing of intellectual property rights.

In addition, I belong to the International Trademark Association (INTA), which is an association of trademark owners, attorneys, and other professionals worldwide. INTA is dedicated to the support and advancement of trademark and related intellectual property concepts. The organization serves the common purposes of its worldwide members through advocacy, communication, and education to members.

I have also served on the Board of Directors of the French Licensing Association, MICEL, as well as being active in the American Intellectual Property Law Association, The American Society of Appraisers, and The Institute of Property Taxation. I have also been named as an official arbitrator/mediator for the World Intellectual Property Organization.

I speak on a regular basis to industry and appraisal associations. The Internal Revenue Service has invited me to speak on a number of occasions to both their national and international economists on the subject of intellectual property royalty rates and valuation. I have extensive background and experience involving all aspects of intellectual property licensing. I received my MBA (honors) from Harvard University, after which I served with the management-consulting firm of Booz-Allen & Hamilton. While there, I managed consulting projects in consumer products and services that involved several Fortune 500 companies.

Subsequently, I was the youngest Vice President and corporate officer at Playboy Enterprises, Inc., where I launched many of their licensing programs. These programs involved approximately 100 licensees in 20-plus countries and generated royalty income in the tens of millions of dollars annually.

I was also Senior Vice President of Hang Ten International, which grew to about 150 licensees in 30 countries under my direction. Since founding CONSOR in 1980, I have developed numerous licensing strategies for major corporations and have performed valuations of thousands of intellectual property components.

CONSOR is dedicated to helping clients establish and build the value of their intellectual property. Establishing or rebuilding licensing programs and income for clients requires effective positioning and leveraging to maximize value and cash flow. CONSOR provides consulting services to our clients in the licensing process to establish effective plans and maintain competitive focus while minimizing risk. Whether for new or established brands, CONSOR determines market strengths and values and identifies extension opportunities and issues. We control an unparalleled proprietary resource of information about licensing and valuation transactions and data. This data has been compiled over 18 years, supporting our financial and litigation support for over a thousand trademarks and other intangibles.

Over the years, some of the clients I have served as licensing agent and/or licensing consultant include the following companies:

AAA	General Foods Corporation	MGM
Alex Brown	General Motors Corporation	Nestlé
America's Cup	Greyhound Corporation	Norman Rockwell
American Heart Association	Harry Winston	Ocean Pacific
Anheuser-Busch	Hewlett-Packard	Ocean Spray
AT&T Consumer Products	Hilton Hotels	Paramount Communications
Borax	IBM	PepsiCo.
Bristol-Myers	Jane Fonda	Pillsbury
Burger King	Kraft-General Foods	Procter & Gamble
Caterpillar, Inc.	LA Gear	Rolex
Christian Bros.	Labatts	Sara Lee
Ciba-Geigy	Levi Strauss & Company	Sesame Street (CTW)
Clorox Company	L.L. Bean, Inc.	Singer Sewing Company
CPC Best Foods	L'Oreal	Smith & Wesson
DuPont	Louisville Slugger	Smith-Corona
Eastern Airlines	Lucasfilm, Ltd.	SONY Corporation

Equitable Insurance	M&M/Mars	The Olympics
Esquire Magazine	Macy's	Toys R US
Estate of Dr. Seuss	Major League Baseball	Vatican Library
Ford Motor Company	Mattel, Inc.	Welch's
Frito Lay	McDonald's Corp.	Western Union
General Electric	Mennen Co.	Xerox Corporation

I, along with other members of my firm, concentrate on three primary areas: 1) Developing effective licensing strategies for established licensors, 2) Assisting in developing licensing programs for major companies just entering the arena; and, 3) Establishing specific market values for trademarks, brands and other intangible assets. Our firm is often retained by legal and financial advisors such as Goldman, Sachs & Co., Ernst & Young, Baker & Hostetler, Bank of America, and Chemical Bank.

I have published over 90 articles worldwide and I am active in all of the major international trademark and licensing associations as a speaker and/or an officer. I travel extensively, counseling major multi-national corporations and small companies in the US and overseas.

LIST OF PUBLICATIONS

BOOKS AND BOOK CHAPTERS

- The Intangible Assets Handbook – Maximizing Value from Intangible Assets (The ABA Section of Business Law, 2007, published by the American Bar Association)
- Fundamentals of Intellectual Property Valuation – A Primer for Identifying and Determining Value (The ABA Section of Intellectual Property Law, 2005, published by the American Bar Association)
- "Accurately Valuing Trademarks and IP in Multiple Environments" (INTA Leadership Conference Paper, Forum Course Handbook, November, 2003)
- "Valuing Intellectual Property and Licensing Agreements" (Advanced Licensing Agreements for the New Economy 2001, Forum Course Handbook, Practising Law Institute, March 2001)
- "Chapter 2: Defining and Building the Brand" (Trademark Law Basics, Basics of Trademark Law Forum Coursebook, International Trademark Association, February 2001)
- "Chapter 9: Section 1: Business Aspects of Licensing" (Trademark Law Basics, Basics of Trademark Law Forum Coursebook, International Trademark Association, February 2001)

- "An Arm's Length View of Transfer Pricing" (The 1999 Guide to the World's Leading Transfer Pricing Advisors, Euromoney Institutional Investor PLC, December 1999)
- Hidden Value: Profiting from the Intellectual Property Economy (Copyright 1999, co-authored by Weston Anson) "Intellectual Asset Management: Leveraging Intangibles" (Handbook of Business Strategy, 1999)
- "Chapter 15: Managing Corporate Intellectual Capital" (Hidden Value: Profiting from the Intellectual Property Economy, Euromoney Publications, 1999)
- "Chapter 13: Valuing Intangible Assets: The Big Pot of Goodwill" (Mergers And Acquisitions Handbook For Small And Midsize Companies, Copyright 1997, co-authored by Weston Anson)
- "Setting Global and Regional Strategies" (The 1996 Licensing Resource Directory)
- What's It Worth? Valuation Of Technology (The Business Valuator, The Canadian Institute of Chartered Business Valuators, Number 4, Volume 18, December 1994)
- Pharmaceutical Licensing: Maximizing the Bundle of Rights with A Pan European Strategy" (EPLC, November 1992)

PUBLISHED ARTICLES

- "A Business Person's Perspective On Setting Marketplace Royalty Rates For Intangibles" (Tax Management Transfer Pricing Report, September 6, 1995)
- "A Letter From Moscow" (North American Licensing Tribune, May 1990)
- "A Licensing Retrospective And Glimpse Into The Future" (The Merchandising Reporter, June/July 1984)
- "A New and More Effective Technique To Prove Confusion And Damages In Trademark Litigation" (The Licensing Journal, November/December 1992)
- "A New Approach To Damage Assessment And Recovery" (Trademark World, October 1993)
- "A New Approach To Setting Realistic Values And Damages In Patent And Trade Secret Litigation" (Patent World, December 1994/January 1995)
- "A Primer on Food and Beverage Brand Licensing" (Brandweek, November 29, 1999)
- "Accurate IP Valuation in Multiple Environments" by Weston Anson & Daryl Martin (Intellectual Asset Management February/March 2004)

- "Aces high — Maximizing your mark in licensing negotiations" (Trademark World, February, 2004)
- "Adult Licensing Cuts Across Boundaries Of Age, Economics" (Licensing Book, November 1987)
- "Adult Licensing—Where the Money Is" (LIMA International Licensing Directory, 1988)
- "An Approach to Brand Valuation" (Trademark World, September 1990)
- "Artful Negotiation of Licenses" (les Nouvelles, December 1993; reprinted in The Journal of Technology Transfer, December 1994)
- "Big Value, Big Headache" (Managing Intellectual Property, September 1993)
- "Big Value Intangibles And §482: Practical Solutions To Ongoing Issues" (Tax Management Transfer Pricing Report, a subsidiary of The Bureau Of National Affairs, Inc., July 21, 1993; reprinted in The Monthly Digest of Tax Articles, December 1993)
- "Brand Conscious" (Article by Donna Block in The Daily Deal, with Weston Anson as consultant)
- "Brand Valuation. Die marktorientierte Markenbewertung" (absatzwirtschaft Sondernummer, Oktober 2000)
- "Branding is Not Enough in the Licensing Industry" (Intellectual Asset Management Magazine, Issue 21, December 2006 / January 2007)
- "Building Brand Value Co-Branding and Brand Extensions in Licensing" (Licensing Today Worldwide, Autumn/Fall 1995)
- "Building Brand Value Co-Branding and Brand Extensions via Licensing" (Market Focus: TOYS, Fall 1995)
- "Capitalizing On Eastern Europe" (Licensing Reporter, Europe, Monthly Bulletin of European Licensing and Merchandising, June 1990)
- "Case History: How Food Giants Negotiated Deal" (les Nouvelles, Journal of The Licensing Executives Society, September 1996)
- "Capital Intelctual: Un Intangible Con Peso Propio [The Value of Intellectual Capital is Context Specific]" (C&D: Conocimiento & Dirección, Publicación para la Gestión del Capital Humano, February/March 2002)
- "Corporate Identity Value" (Licensing Journal, Spring 1999)

- "Corporate Identity—Value and Valuation" (Corporate Reputation Review, Spring 2000)
- "Corporate Licensing" (International Licensing Review, May 1992)
- "Corporate Licensing A Hot Property" (Advertising Age, Spring 1987)
- "Corporate Licensing...The Hidden Treasure" (ASAP, July/August 1989)
- "Corporate Licensing To Reach \$25B In Five Years" (Playthings, April 1986)
- "Corporate Licensing: What's It About, And Why Do It?" (With Rik de Stroumillo, Licensing Report, 1985)
- "Domain Names, Part I: Do They Have Value, Can They Be Licensed?" (The Licensing Journal, March 1997)
- "Domain Names, Part II: Hidden Assets Value" (The Licensing Journal, May 1997)
- "Domain Names: Hidden Asset Values" (Trademark World, October 1997)
- "Establishing an International Licensing Strategy" (les Nouvelles, Journal of the Licensing Executives Society, March 1992)
- "Establishing Market Values For Brands, Trademarks and Marketing Intangibles" (Business Valuation Review, June 1996)
- "European Licensing" (Trademark World, June 1991)
- "Expansion Seen In Area of Beverages" (Licensing Book, January, 1989)
- "Face of Licensing Will Change Drastically In Next Few Years" (Licensing Book, June 1985)
- "Global Brand Valuation" (1997 Guide To the Licensing World)
- "He Knows What's In A Name" (Sales & Marketing Management, September 1995)
- "Hidden Assets: Valuing and Selling Licensing Properties" (U.S. Licensing Industry Buyers Guide, 1990/1991)
- "How Intangible Assets Drive Capitalization" (les Nouvelles, Journal of The Licensing Executives Society, September 1999)
- "How Much Is Your Brand Worth" by Terry Lefton and Weston Anson (Brandweek, January 29, 1996)
- "How to make transfer pricing work for IP and intangible assets" by Weston Anson and Chaitali Ahya (International Tax Review, October 2004)

- "Identify, Value, Leverage Your Intellectual Assets" (les Nouvelles, Journal of The Licensing Executives Society, March 1998)
- "Identifying Valuable Intellectual Property in Bankruptcy – Part 1" (American Bankruptcy Institute Journal, May 2002)
- "Identifying Valuable Intellectual Property in Bankruptcy – Part 2" (American Bankruptcy Institute Journal, June 2002)
- "In Practice: Big Value Intangibles, The IRS, & Section 482" (ATI Journal, May/June 1993)
- "Institutional Licensing is Poised for Growth" (Art Licensing, June 2001)
- "Intangible Asset and Intellectual Property Valuation in Bankruptcy – Part 1 of 2" (Shannon Pratt's Business Valuation Update, June 2002)
- "Intangible Asset and Intellectual Property Valuation in Bankruptcy – Part 2 of 2" (Shannon Pratt's Business Valuation Update, August 2002)
- "Intellectual Capital Values in Liquidation" (The Secured Lender, November/December 2001, co-authored by Jay D. Lussan)
- "Intellectual Capital Values in Liquidation" (Bankruptcy Law News, Volume XVIII, Nos 2 & 3, Summer/Fall 2003)
- "Intellectual Capital: Understanding the Value and the Risk" (ABF Journal, January, 2004)
- "Intellectual Property and Taxes" (Trademark World, March 1992)
- "Inter-Company Royalty Rates: Section 482, The IRS, And Foreign Tax Authorities" (The Licensing Journal, February 1992)
- "International Licensing" (The Licensing Journal, September 1991)
- "International Licensing" (The Licensing Book, June 1991)
- "International Licensing" (North American Licensing Tribune, 1991)
- "International Licensing: Think Global, Act Local, Part 1" (Licensing Business Review, June 1992)
- "Introducing the Internet Value Equation" (Managing Intellectual Property, July/August 2000)
- "Key Factors In Food Industry Licensing" (Licensing Economics Review, January 1991)

- "Key Trends In Corporate Licensing" (Licensing Today, August 1985)
- "Letter from Russia" (Trademark World, October 1990)
- "Licensing 2000: The Ones To Watch: On the Net, Genuine Promise" (Brandweek, June 2000)
- "Licensing: A Giant Marketing Opportunity" (www.digitrends.net, July 2000)
- "Licensing And Valuing Trademarks In A Bankruptcy Environment: A Global Minefield" (Trademark World, September, 2002)
- "Licensing Can Crack the Japanese Consumer Goods Markets: A Fast and Profitable Way to Break Into Japanese Consumer Goods"
- "Licensing Consultant's Viewpoint—"Look Before You Leap" (U.S. Licensing Industry Buyer's Guide, 1987)
- "Licensing Gains Firms Entry In Japan" (Corporate Licensing, May 1986)
- "Licensing In Food Industry Has Expanded, Will Continue To Grow" (Licensing Book, November 1989)
- "Licensing. Internet Assets: Options and Opportunities" (LIMA's BottomLine, Summer 1999)
- "Licensing Opportunities Now Exist in Russian Marketplace" (Licensing Book, March 1990)
- "Licensing Potential In The Soviet Union: New Freedom in the Eastern Bloc" (Licensing Product Times, Spring 1990)
- "Licensing: The Key to Internet Brand Building" (New York Law Journal, December 2000)
- "Licensing's Silent Crisis" (The Licensing Book, February 2007)
- "Major Issues Facing Licensing: Extending A Mature Licensing Program" (Market Focus: TOYS, January 1996)
- "Merchandising Licensing and Strategy" (les Nouvelles, Journal of The Licensing Executives Society, September 1998)
- "MICEL '85: First International Show Held In France" (Merchandising Reporter, June/July 1985)
- "Name Game: Dollars & Sense" (Women's Wear Dailey, February 27, 1995)
- "Negotiating Complex Licensing Agreements" (les Nouvelles, September, 2003)

- "Negotiating Licensing Agreements for The 1990's" (The Licensing Journal, November/December 1993)
- "New Approaches to European Property Licensing" (licensing Product Times, Fall 1991)
- "On The Net, Genuine Promise" (Brandweek, June 2000)
- "Pan-European Licensing Strategy" (Trademark World, June 1991)
- "PC Brands: Where They Stack Up" (Brandweek, December 1996)
- "Pharmaceutical Licensing: Maximizing the Bundle of Rights With a Pan-European Strategy" (European Pharma Law Centre Competition Position Paper, November 1992)
- "Pitch Your Strategy to Maximize Your European Returns" (Managing Intellectual Property, December 1991)
- "Placing Market Values On Trademarks and Brands" (Trademark World, September 1995)
- "Product Liability Insurance: A Consultant's Observations" (The Merchandising Reporter, May 1984)
- "Property Tax Trends – Valuing Trademarks: The Property Tax Impact" (Journal of Property Tax Management, Volume 5, Issue 4, Spring 1994)
- "Putting Market Values On Licensed Character Properties" (Licensing Business Review, Three-part article April/May/June 1993; and The International Licensing Directory, Total article, 1993/94)
- "Putting Market Values on Trademarks/Brands and Marketing Intangibles" (Licensing Today Worldwide, Spring 1996)
- "Quality and Control In Trademark Licensing" (Managing Intellectual Property, March 1996)
- "Realistic, Market Based Trademark and Brand Valuations" (The Licensing Journal, May 1989)
- "Royalty Rates And Taxes: Intellectual Property and the Delaware Holding Company" (The Licensing Journal, March 1992; and Licensing Economics Review, April 1992)
- "Rumblings of a Licensing Explosion Heard In the Beverage Industry" (The Merchandising Reporter, February 1987)
- "Setting Global and Regional Strategies" (The 1996 Licensing Resource Directory)

- "Setting Market Values For Trade Secrets" (The Law Works, February 1995)
- "Snapshot Approach to Market Values For Trade Secrets" (Corporate Legal Times, June 1995)
- "Special Event Licensing: The America's Cup Example" (Trademark World, February 1991)
- "Sports Licensing In The 1990's: A Businessman's Viewpoint" (Entertainment Arts & Sports Law Newsletter, Spring 1993)
- "Strategies For A Changing World Market: International Licensing", (Licensing Business Review, July 1992)
- "Strategy: Licensing and Merchandising" (Licensing Economics Review, February 1998)
- "Transfer Pricing: Establishing Royalty Rates & Cost Sharing Arrangements" (Valuation Strategies, November/December 2004) by Weston Anson & Chaitali Ahya
- "Tax Authorities Close In On IP" (International Tax Review, June 1996)
- "The Basics of Licensing Trademarks" (les Nouvelles, Journal of the Licensing Executives Society, December 1996)
- "The Explosion in Branded Packaged Goods Licensing" (1988)
- "The Million Dollar Domain Name" (Managing Intellectual Property, May 1998)
- "The Name Game" (San Diego Magazine, February 1998)
- "The Need for a New Comprehensive Approach to European Licensing" (Licensing Law and Business Report, July-August 1991)
- "The New Wave: Corporate Licensing Experiences Explosive Growth" (The Merchandising Reporter, October 1986)
- "The Real Benefits Of Corporate Licensing" (Licensing Today, June/July 1992)
- "The Real Benefits Of Corporate Licensing" (Potentials in Marketing, August 1993)
- "The Role of Business Experts in Intellectual Property Litigation" (The IP Litigator, May/June 1996)
- "The Silent Crisis in the Licensing Industry" (The Licensing Journal, September 2005)

- "The World's Tax Authorities Latch On To Rights" (Managing Intellectual Property, June 1996)
- "Trademark/Brand Licensing And Valuations" (The Licensing Journal, March 1991)
- "Trademark Valuation: The How, When and Why" (Thomson & Thomson Client Times, August 2002)
- "Transfer Pricing Around The Globe" (The Law Works, August 1996)
- "2001: A Licensing Odyssey" (Trademarks America, May 1994; reprinted in Trademark World, June 1994)
- "2001: A Licensing Odyssey: Licensing Strategies and Business Tactics for the 21st Century" (Licensing Today International, Summer 1994)
- "2001: Licensing Odyssey" (Managing Intellectual Property, 1994)
- "2010: The Future of Licensing" (The Licensing Book, June 2001)
- "Using A Delaware Holding Company To Lower The Software Company's State Income Taxes" (Software Taxation Letter, October 1992)
- "Using Licensing And Leverage To Maximize Internet Brand Values" (Sports and Character Licensing, September 2000)
- "Using Licensing To Maximize Internet Brands" (Licensing Today Worldwide, Summer 2000)
- "Valuation and Sale of Intangible Assets, Intellectual Property and IP Licenses in Bankruptcy" (The Licensing Journal, February 2002)
- "Valuing and Monetizing Intellectual Property in Bankruptcy" (The Secured Lender, May/June 2002)
- "Valuing Intangible Assets" (les Nouvelles, Journal Of The Licensing Executives Society, June 1996)
- "Valuing IP Assets in Bankruptcy" (IPL Newsletter, Volume 21, Winter 2003)
- "Valuing Intellectual Property in a Bankruptcy" (Interview with Weston Anson in Licensing Economics Review, February 2002)
- "Valuing Internet Brands: The Internet Value Equation" (The Licensing Journal, September 2000)
- "Valuing Trademarks, Copyrights And Other Intangibles For Estates" (Money & Family Law, March 1995)

- "Valuing Trademarks, Patents And Other Intangibles In A Bankruptcy Environment" (The Law Works, August 1995) and (American Bankruptcy Institute Journal, February 1996)
- "Ways To Put A Value On A Trademark" (Corporate Finance, November 1996)
- "What Are These Brands Worth?" (Financial World, September 1992)
- "What's it worth? Putting a figure on a musician's estate and celebrity images" (Copyright World #145, November 2004)
- "What Does The Future Hold?" (Brand Marketing, February 1996)
- "Why Corporate Licensing?" (Licensing International, April/May 1985)
- "Why Corporate Licensing?" (The Merchandising Reporter, April 1985)

<u>"What's It Worth?" – Series of Articles in The Licensing Journal</u>	
Valuation of Technology	November/December 1994; reprinted in The Business Valuator, December 1994; and in Money & Family Law, February 1995
"What's It Worth?"	February 1995; April 1995
"What's It Worth?" by Weston Anson and Kristina Sheridan	November/December 1995
"Determining The Value Of The Umbrella Corporate Brand"	April 2000
"Valuing Internet Brands: The Internet Value Equation	September 2000
"Intangible Asset Valuation Techniques" by Weston Anson and Mario Serrano	January 2001
"Accounting And IP Valuation: New Merger Accounting Rules Impact The Value And Valuation Of Trademarks And Other Intangible Assets"	March 2001
"Taking Stock of Corporate Intellectual Property: Quantifying Value"	April 2001
"New Economy Brand Building"	May 2001
"Building the Value of Hospitality Brands"	June/July 2001
"2010: The Future of Licensing"	August 2001
"Traditional Valuation Methodologies of Intellectual Property"	September 2001
"Proprietary Valuation Techniques for Intellectual Property"	October 2001
"The Brand Value Equation"	November/December 2001

"What's It Worth?" – Series of Articles in The Licensing Journal	
"Borrowing on Your Good Name" by Richard Schioldager and Weston Anson	June/July 2002
"Context Continuum" by Daryl Martin and Weston Anson	September 2002

Expert Witness and Legal Experience (Deposition and/or Trial) 2001 – Present

1. MGM Grand Hotel v. Studio 54 Corporation, et al.
United States District Court
District of Nevada
Docket No. CV-S-98-00372-HDM (RJJ)
Expert Report 2001
2. Genesco, Inc. v. Mudd LLC
United States District Court
Middle District of Tennessee
Docket No. 3-00-00641
Expert Report 2001
3. Heidi Ott AG, Heidi Ott v. Target Corporation
United States District Court
District of Minnesota
Trademark
Docket No. 99-CV-01170
Deposition 2001
4. Hearts on Fire Company v. Alexander M. Waldman Diamond Company, Inc.
United States District Court
Southern District of New York
Docket No. 01 CV 4628(HB)
Expert Report 2001
5. Amazon.com, Inc., a Delaware Corporation v. Von Eric Lerner Kalaydjian, d/b/a Amazon Cosmetics and Tan Products
United States District Court
Central District of California
Docket No. CV 01-02041 R (AIJx)
Expert Report 2001
6. WE Media, Inc. v. Cablevision Systems Corp., et al.
United States District Court
Southern District of New York
Docket No. 01-CV-00424 (VM)
Expert Report 2001

7. Creative Computing d/b/a Internet Truckstop v. Getloaded.com LLC and/or Codified Corporation, and Jack C. Martin
United States District Court
District of Idaho
Docket No. 00-00476-S-BLW
Expert Report 2001
8. Furtherfield Partnership, LP, v. Ronald O Perelman, M&F Worldwide Corp, et al.
Court of Chancery of the State of Delaware
In and for New Castle County
Case No. 18502NC
Expert Report 2001
9. San Francisco Network v. Salisbury Manufacturing Corporation;
FAB Industries, Inc.; et al.
United States District Court
Northern District of California
Docket No. C99-5022 CRB (JL)
Expert Report 2001
10. YKK Corporation and YKK (U.S.A.), Inc. v. Jungwoo Zipper Co., Ltd., and YPP (U.S.A.), Inc.
United States District Court
Central District of California
Docket No. C00-05731 FMC (RCx)
Expert Report and Deposition 2002
11. Marcel Fashions Group, Inc. v. Lucky Brand Dungarees, Inc. et al.
United States District Court
Southern District of Florida
Docket No. 01- CV-7495
Expert Report 2002
12. Fish Bones-Sandlake Road, Inc. v. Outback Steakhouse, Inc., Bonefish Grill, LLC, OS SEA, Inc and International Market Place
United States District Court
Middle District of Florida Orlando Division
Docket No. 6:02-CV-671-ORL-31JGG
Expert Report 2002
13. Oakland Raiders v. National Football League, et al.
Superior Court of the State of California
County of Santa Clara
Docket No. 1-96-CV 756194
Expert Report 1998
Deposition 2003
14. Cyclone USA, Inc. v. LL&C Dealer Services, LLC
United States District Court

For the Central District of California
Docket No. CV-03-0992 WMB (JWJx)
Expert Report 2004
Deposition 2004

15. Monster Cable Products, Inc. v. Discovery Communications, Inc.
United States District Court
Northern District of California
Case No. 03-CV-3250 (WHA)
Expert Report 2004
Deposition 2004
16. Corbis Corporation v. Amazon.com, Inc. et al.
United States District Court
Western District of Washington
Case No. CV-03-1415L
Expert Report 2004
Deposition 2004
17. Fleetwood Enterprises, Inc., and Fleetwood Folding Trailers, Inc., v. The Coleman Company, Inc., and Coleman Holdings, Inc.
District Court, Sedgwick County, Kansas
Case No. 03 DV 2029
Expert Report 2004
Deposition 2004
18. Rosa Parks v. Laface Records
State of Michigan in the Circuit Court for County of Wayne
Case No. 99-76405
Video Deposition 2004
19. Ken's Food, Inc. v. Ken's Steak House, Inc.
United States District Court
District of Massachusetts
Case No. 01-CV-11878-NG
Expert Report 2004
20. Jimmy Dean v. Sara Lee Corporation
United States District Court
Northern District of Texas, Lubbock Division
Case No. 5-04CV0039-C
Expert Report 2005
21. Cache La Poudre Feeds, LLC v. Land O' Lakes, Inc. et al.
United States District Court
District of Colorado
Case No. 04-D-329 (CBS)

Expert Report 2005
Deposition 2005

22. Precision Replacement Parts Corp. v. Auto Glass Components, Inc.
United States District Court
Western District of Washington at Seattle
Case No. 04-CV-566L
Expert Report 2005
23. Kevin Trudeau et al. v. George Lanoue, et al.
United States District Court
Northern District of Illinois
Eastern Division
Civil Action No. 04C-7165
Expert Report 2005
Litigation pending
24. Collins & Aikman Corporation, et al.
United States Bankruptcy Court
Eastern District of Michigan
Southern Division
Case No. 05-55927 SWR
Expert Report 2006
25. Terance Dunn v. Berger, Kahn, Shafton, Moss, Figler, Simon & Gladstone, LLP
Professional Negligence Arbitration
Los Angeles, California
Expert Report 2006
Deposition 2006
Testimony at Arbitration 2006
26. Richard Bach and Russell Munson v. Forever Living Products U.S., et al.
United States District Court
Western District of Washington at Seattle.
Case No. C05-0970P
Expert Report 2006
Litigation Pending
27. El Comandante Management Company LLC, et al.
United States Bankruptcy Court
District of Puerto Rico
Cast No. 04-10938 (ESL)
Expert Report 2006
28. Aronchick / InKine v. Wolf Block, et al.
Court of Common Pleas, Philadelphia County, PA.
Civil Action 0712 (Nov. Term, 2004)

Expert Report 2006
Litigation Pending

29. World Triathlon Corporation v. Dawn Syndicated Productions, et al.
United States District Court
Middle District of Florida
Tampa Division
Case No. 8:05cv983-T27-EAJ
Expert Report 2006
Deposition 2006
Litigation Pending

QUALIFICATIONS OF DAVID DREWS

I am currently a Director at CONSOR Intellectual Asset Management. Prior to that, I was the founder and president of IPMetrics LLC. I have over twenty years experience as a financial analyst, primarily concentrated in valuing intellectual property of all types, including trademarks, copyrights, patents, know-how, trade secrets and domain names. My valuation experience includes projects involving use of the assets as collateral, transaction due diligence, joint venture negotiations, licensing, transfer pricing and bankruptcy / reorganization.

I have performed valuations on assets as diverse as apparel, financial services, retail, automotive, processed food, non-profit organizations, entertainment, sports and consumer brand trademarks; mechanical, chemical and electrical patents, processes and trade secrets; customer lists; non-compete agreements; and entertainment industry characters, trademarks and copyrights. I have also been called upon to calculate damages related to infringement of intellectual property in numerous litigation and arbitration proceedings.

Prior to concentrating on intellectual property, I was responsible for the analysis and valuation of a broad range of credit applicants and investment vehicles for California Commerce Bank. Before joining California Commerce, I performed research at William O'Neil & Co. My responsibilities at O'Neil included in-depth analyses of companies in many different industries, including pharmaceuticals, retail, processed foods, apparel, biotechnology, computer software, financial services and scientific instruments, among others. I hold a Bachelor of Science degree in business administration / economics from the University of Nebraska.

In addition to regularly publishing articles for numerous journals, industry publications and websites, I am a frequent lecturer on IP valuation issues. I have taught several courses for intellectual property valuation and related topics, including the *Intellectual Property Damages* course for the National Association of Certified Valuation Analysts, the *Valuation of Intellectual Property* course offered by the National Technology Transfer Center in Wheeling, West Virginia and the *Intellectual Property Valuation* course at the NASA Langley Research Center in Hampton, Virginia.

I have served on the Valuation and Taxation Committee and the Trademarks Committee of the Licensing Executives Society.

I. PROFESSIONAL INSTRUCTION

- National Association of Certified Valuation Analysts (NACVA) – Instructor
Course: Intellectual Property: Calculating Damages and Lost Profits
- NASA Langley Research Center – Guest Instructor
Course: Valuation of Intellectual Property
- National Technology Transfer Center – Past Instructor
Course: Valuation of Intellectual Property

II. PRESENTATIONS

- Due Diligence Symposium 2007 – Iselin, NJ
- BIO IPCC Spring Meeting 2007 – San Diego, CA
- ACI IP Due Diligence 2007 – San Francisco, CA
- NACVA Advanced Valuation Class 2006 – Coronado, CA
- SRI Monetization of Intellectual Property 2006 – Boston, MA
- IP Licensing Summit 2006 – New York, NY
- AIPLA Spring Meeting 2006 – Chicago, IL
- PhillipsLytle / HSBC IP Securitization Conference 2006 – New York, NY
- Commercial Finance Association Annual Conference 2005 – San Diego, CA
- LINK New York 2005 – New York, NY
- FindLaw IP Strategies in Deals 2004 – Palo Alto, CA
- Sterling Intellectual Property Issues Seminar 2004 – San Diego, CA
- LES Annual Meeting 2000 – Toronto, Canada
- Glasser Legalworks 11th Annual Institute 2000 – San Francisco, CA
- LES Annual Meeting 1999 – San Antonio, TX
- Corporate Reorganizations 1999 – Chicago, IL
- Glasser Legalworks 10th Annual Institute 1999 – Los Angeles, CA
- IP Business Seminar 1998 – San Diego, CA
- Dow Chemical IP Donation Seminar 1998 – Midland, MI

III. PROFESSIONAL ASSOCIATIONS

- CFA Institute (CFA)
- CFA Society of San Diego (CFASSD)
- Intellectual Property Management Institute (IPMi)
- Licensing Executives Society (LES)
- San Diego Intellectual Property Law Association (SDIPLA)

IV. PUBLICATIONS

- **The Intangible Assets Handbook – Maximizing Value from Intangible Assets (Co-editor)**
(American Bar Association, March 2007)
- **Patent Valuation Techniques**
(*les Nouvelles*, March 2007)
- **Intellectual Property Valuation Techniques**
(*The Licensing Journal*, October 2006)
- **Calculating Questions: Accepted Approaches to Patent Valuation**
(*Patent World*, September 2006)
- **The Secured Lender (Second Installment)**
(www.ipfrontline.com, March 2006)

- **The Secured Lender (Parts I & II)**
(www.ipfrontline.com, January 2006)
- **The Impact of SFAS 141 & 142 on Intangible Asset Management**
(*The Secured Lender*, November / December 2005)
- **Intellectual Property Valuation: Context is Critical**
(*The Secured Lender*, September 2005)
- **Intellectual Property: Collateral for Securitization or Lending**
(*The Secured Lender*, July 2005)
- **IP Valuation Techniques**
(*IP Strategies in Deals 2004*, October 2004)
- **Intellectual Property Valuation (Updated)**
(*Chapter 23 - Drafting License Agreements, Fourth Edition*, 2004 Supplement, September 2004)
- **Valuing for Charitable Donation**
(*Chapter 19 - Fundamentals of Intellectual Property Valuation Primer*, American Bar Association, July 2004)
- **Patent License Evaluation**
(*Patent & High Technology Licensing 2004*, May 2004)
- **Intangible Asset Valuation Techniques**
(*Intellectual Property Issues*, October 2003)
- **Leveraging Intellectual Property via the Capital Markets**
(*Intellectual Property Issues*, September 2003)
- **Intellectual Property Valuation**
(*Chapter 23 - Drafting License Agreements, Fourth Edition*, September 2002)
- **The Benefits of Patent Donation**
(www.corporateintelligence.com, February 2001)
- **The Cost Approach to IP Valuation: Its Uses and Limitations**
(www.corporateintelligence.com, January 2001)
- **Value v. Fair Market Value**
(www.corporateintelligence.com, December 2000)
- **Situations Where Valuation Comes Into Play**
(www.corporateintelligence.com, November 2000)
- **A-Bundling We Will Go: When It Comes to Intangible Assets, the Sum is Often Greater Than its Parts**
(www.corporateintelligence.com, October 2000)
- **Donating Idle Patents**
(*Patent Strategy & Management*, August 2000)
- **Giving Away Your Patents: How to Squeeze Tax Advantages from Unused IP Rights**

(IP*Network.com, September 1999)

- **Intellectual Property - The Key to Lower Risk and Higher Margins**
(*les Nouvelles*, June 1999)
- **An Overlooked Way to Exploit Patents**
(*The Intellectual Property Strategist*, April 1999)

**Expert Witness and Legal Experience
Deposition and/or Trial Testimony
January 1999 through June 2007**

1. **Fruit of the Loom Bankruptcy Filing**

United States Bankruptcy Court
District of Delaware
Case No. 99-4497 (PJW)
Expert Report, December 1999
Courtroom Testimony 1999
2. **Purebred Company, Inc. v. Purebred Pet Products, Inc., et al.**
United States District Court
District of Colorado
Civil Action No. 98 D 2392
Expert Report 1999
Deposition Testimony 2000
3. **Gae Sharp Richardson, et al. v. The Boyds Collection, Ltd.**
United States District Court
Northern District of Iowa
Civil Action No. C96-344
Expert Report 2000
Deposition Testimony 2000
4. **Warrior and Ultimate Creations v. Titan Sports, Inc. Diamond Company, Inc.**
Superior Court of the State of Arizona
Maricopa County
Civil Action No. CV96-15377
Deposition Testimony 2000
5. **Harry A. Ratner, et al. v. Stanley E. Foster, et al.**
Superior Court of the State of California
San Diego County
Case No. 732482
Expert Report 2000
Deposition Testimony 2000
Trial Testimony 2000

6. Funimation Productions, Inc.
v. ABC International Traders d/b/a MGA Entertainment
American Arbitration Association
Case No. 71 133 00559 99
Expert Report 2000
Deposition Testimony 2001
7. Purebred Company, Inc.
v. Star-Kist Foods, Inc. d/b/a The Nature's Recipe Company
United States District Court
District of Colorado
Civil Action No. 00 D 665
Expert Report 2001
Deposition Testimony 2001
Trial Testimony 2002
8. Lollar Enterprises, et al. v. Medtech Capital Markets, LLC, et al.
District Court for Arapahoe County
State of Colorado
Civil Action No. 00 CV 1875
Expert Report 2002
Deposition Testimony 2003
Trial Testimony 2004
9. World Triathlon Corp. v. Dawn Syndicated Productions, et al.
United States District Court
Middle District of Florida – Tampa Division
Case No. 8:05 CV 983-T27 EAJ
Expert Report 2006
Deposition Testimony 2006
10. Adidas America, Inc., et al. v. Payless Shoesource, Inc.
United States District Court
District of Oregon
Case No. CV01-1655 RE
Expert Report 2007
Deposition Testimony 2007
11. Hambrecht Wine Group, L.P. d/b/a Belvedere Winery, L.P.
v. Millennium Import LLC
United States District Court
Northern District of California – San Jose Division
Case No. C 05-4625 JW HRL
Expert Report 2007
Deposition Testimony 2007

**Expert Witness and Legal Experience
Expert Reports without Deposition or Trial
January 1999 through November 2006**

1. 21st Century Film Corp. et al. v. Carolco Pictures, Inc., et al.
Superior Court of the State of California
Los Angeles County
Case No. BC 079359
Expert Report 1999
2. Trovan Ltd., et al. v. Pfizer, Inc.
United States District Court
Central District of California
Civil Action No. 98-0094
Expert Report 1999
3. Heidi Ott AG, Heidi Ott v. Target Corporation
United States District Court
District of Minnesota
Docket No. 99-CV-01170
Expert Report 2000
4. Kristian Erik Grimland, petitioner v. Debra Grimland, respondent
District Court for Elbert County
State of Colorado
Case No. 02DR4, Division A
Expert Report 2003
5. Precision Replacement Parts Corp. v. Auto Glass Components, Inc.
United States District Court
Western District of Washington at Seattle
Case No. 04-CV-566L
Expert Report 2005
6. Kevin Trudeau v. Electronic Retailing Association, et al.
Superior Court of the State of California
County of Ventura
Civil Action No. CIV 236364
Expert Report 2006
7. Collins & Aikman Corporation, et al.
United States Bankruptcy Court
Eastern District of Michigan
Southern Division
Case No. 05-55927 SWR
Expert Report 2006

8. Digital Envoy, Inc. v. Google, Inc.
United States District Court
Northern District of California
Case No. C-04-01497 RS
Expert Report 2006
9. Terance Dunn v. Berger, Kahn, Shafon, Moss, Figler, Simon & Gladstone, LLP
Professional Negligence Arbitration
Los Angeles, California
Expert Report 2006
10. Richard Bach and Russell Munson v. Forever Living Products U.S., et al.
United States District Court
Western District of Washington at Seattle.
Case No. C05-0970P
Expert Report 2006
11. Michael Hanna on behalf of Estate of Ken Hanna v. Ken's Foods, Inc., et al.
Superior Court for the Commonwealth of Massachusetts
Middlesex
Docket No. 03-3815
Expert Report 2006
12. Louis Vuitton Malletier v. Dooney & Bourke, Inc.
United States District Court
Southern District of New York
Case No. 04 Civ. 2990
Expert Report 2007
13. Luppen Holdings, Inc. v. Pitney Bowes, Inc.
United States District Court
Central District of California
Case No. 98-5336-RJK (CWx)
Expert Report 2007

Fernando Torres, MSc – Senior Economist

Mr. Torres is Senior Economist at CONSOR®, an intellectual asset consulting firm headquartered in La Jolla, California.

Mr. Torres has over 25 years of experience in Economics, Financial Analysis, and Business Management in the U.S. and Mexico.

He holds a B.A. in Economics from the Metropolitan University in Mexico City (1980), a Graduate Diploma from the University of East Anglia (U.K., 1981), and a Master's Degree specializing in Econometrics from the University of London, England (1982).

Mr. Torres is a member of the National Association of Forensic Economics, and of the Western Economics Association International, as well as a founding board member of the San Diego chapter of the National Society of Hispanic MBAs.

His career has spanned from academia, to branches of government, to private industry and consulting. In Mexico, he was Professor of Economics at his Alma Mater from 1982 through 1990, teaching courses on Economic Policy, Economic Growth, Microeconomics, and Quantitative Methods. During 1983 – 1988, he also served as Director of Studies, Methods, and Policy for the Ministry of Energy and Nationalized Industries (SEMIP) playing a major part in the adoption and implementation of inflation-recognition accounting standards, and productivity tracking systems.

Since 1988, his career has centered on Financial Analysis and Management, having been instrumental in launching several business ventures in the computer services and the health care industry.

In the last decade, Mr. Torres developed a financial advice practice in the San Diego area, as a licensed general securities representative (NASD Series 7) and a registered investment advisor representative (NASD Series 65) working for AXA Advisors, LLC. In 2005 he joined CONSOR, where he has been applying his finance and business experience and skills in quantitative analysis, to the valuation of intangible assets.

Mr. Torres has made presentations regarding intangible asset valuation topics in various venues, many of which qualify for CLE credit in most states. He has published several articles on economic and financial analysis, during the past ten years his publications are:

1. "Establishing Licensing Rates through Options," in: ipFrontline.com, September 12, 2006 (<http://www.ipfrontline.com/depts/article.asp?id=12586&deptid=3>).
2. "Options: Unique Approach to Accurate Licensing Rates and Patent Values," Chapter 9 in: Practicing Law Institute, Patent Law Institute

2007: The Impact of Recent Developments on Your Practice, Course Handbook (March 19, 2007).

As Senior Economist, Mr. Torres has led consulting teams at CONSOR valuing trademarks, patents, and enterprises, as well as assessing economic damages arising in a variety of intellectual property litigation cases, which include the expert reports in the following cases:

1. Fleetwood Enterprises, Inc., and Fleetwood Folding Trailers, Inc., v. The Coleman Company, Inc., and Coleman Holdings, Inc.
District Court, Sedgwick County, Kansas
Case No. 03 DV 2029
2. Jimmy Dean v. Sara Lee Corporation
United States District Court
Northern District of Texas, Lubbock Division
Case No. 5-04CV0039-C
3. Cache La Poudre Feeds, LLC v. Land O' Lakes, Inc. et al.
United States District Court
District of Colorado
Case No. 04-D-329 CBS
4. Precision Replacement Parts Corp. v. Auto Glass Components, Inc.
United States District Court
Western District of Washington at Seattle
Case No. 04-CV-566L
5. Kevin Trudeau et al. v. George Lanoue, et al.
United States District Court
Northern District of Illinois
Eastern Division
Civil Action No. 04C-7165
6. Collins & Aikman Corporation, et al.
United States Bankruptcy Court
Eastern District of Michigan
Southern Division
Case No. 05-55927 SWR
7. Richard Bach and Russell Munson v. Forever Living Products U.S., et al.
United States District Court
Western District of Washington at Seattle.
Case No. C05-0970P

8. El Comandante Management Company, LLC, et al. Debtors
United States Bankruptcy Court
District of Puerto Rico
Case No. 04-10938 ESL
9. World Triathlon Corporation, Inc. v.
Dawn Syndicated Productions Et Al.,
United States District Court
Middle District of Florida, Tampa Division;
Case No. 8:05 CV-983-T27 EAJ

Documents Reviewed:

1. Testimony of Dr. Michael Pelcovits, 7/9/2007 Hearing
2. Written Direct Testimony of David J. Frear, 10/30/2006
3. Direct Testimony of Eric Logan, 10/30/2006
4. Final Subscriber Chart (PDF)
5. Direct Testimony of Gary Parsons, 10/30/2006
6. Written Direct Testimony of Jeremy M. Coleman, 10/30/2006
7. Written Direct Testimony of Mel Karmazin, 10/30/2006
8. Opening Statements
9. Witness Testimony and Exhibits Jointly Submitted by Sirius Satellite Radio, Inc. and XM Satellite Radio, Inc., 1/17/2007 (Public Version)
10. Oprah & XM Powerpoint dated 12/7/2005 (XMCRB00141745 – XMCRB00141760
11. Amended Testimony and Exhibits of Michael Pelcovits, 5/14/2007 (Public and Restricted Versions) (**Relevant Contracts Included**)
12. Testimony of Michael Pelcovits, with Exhibits and Appendices, 10/27/2006 (CV also)
13. Testimony of Michael Pelcovits, 10/31/2005
14. Witness Testimony for XM Satellite Radio, Inc.; 1/17/2007 (Public Version)
15. Introductory Memorandum to the Written Direct Statement of Sirius Satellite Radio Inc. (Public Version)
16. Introductory Memorandum to the Written Direct Statement of Sirius Satellite Radio Inc. (Restricted Version)
17. Sirius –Expert-Attachments (PDF)
18. Expert Report of Dr. John R. Woodbury, 10/30/2006 (Public Version)
19. Pelcovits Testimony, 5/15/06 (soundex-pelcovits-5-15-16-open.pdf)

20. Direct Testimony of Stephen R. Cook, 10/30/2006
21. Written Direct Testimony of Steve Cohen, 10/27/2006
22. Written Direct Statement of SoundExchange, Inc., 10/30/2006
23. Soundex-Exh60.pdf
24. Soundex-Exh62.pdf, *Arbitron Edison Media Research – Internet 9: The Media and Entertainment World of Online Consumers*
25. Soundex-Exh70.pdf, *An extract from The 2005 Handbook of Competition Economists, June 2005*
26. Written Direct Statement of XM Satellite Radio, Inc., 1/17/2007 (Public Version)
27. Testimony of Sean Butson, CFA, 10/26/2006
28. XM Custom Study
29. XM Subscribership by Quarter_#247133 (links to press releases)
30. XM – MLB press clippings
31. XM – O&A press clippings
32. XM – Oprah press clippings
33. Sirius Quarterly Press Releases (20024Q – 20071Q)
34. Howard Stern – Sirius press release, 10/6/2004
35. Martha Stewart – Sirius press release, 4/18/2005
36. NASCAR – Sirius press release, 2/22/2005
37. NBA – Sirius press release, 12/13/2005
38. NCAA – Sirius press release, 11/29/2004
39. NFL – Sirius press release, 12/16/2003
40. Stern debut – Sirius press release, 1/9/2006

41. NFL Promotional Rights Agreement, 1/31/2004
42. Satellite Radio Rights Agreement by and between NFL Enterprises LLC and Sirius Satellite Radio, Inc., 1/31/2004
43. NFL Warrants Spreadsheet, 11/22/2006
44. Talent Agreement (O&A and XM), 8/2/2004, with Executive Summary and Exhibits/Analyses
45. Amendment 1 to Talent Agreement (O&A and XM), 4/20/2006, with Exhibit (CBS Agreement)
46. MLB Market Opportunity Executive Summary and Analyses (XM), 10/4/2004
47. Oprah – Programming & Marketing Investment Summary and Analyses (XM), 10/12/2005
48. Martha Stewart Living Omnimedia, Inc., Form 10-K, 12/31/2006
49. Martha Stewart Living Omnimedia, Inc., Form 10-Q, 3/31/2007
50. "Insight Information Co. Negotiating and Drafting Licensing Agreements Patent, Trade Secret and Technology Licensing: Key Elements," Prof. Karl F. Jorda, New York City, 11/2/1998
51. "Factors to Consider in the Relief from Royalty Method to Valuing Pharmaceutical Patents," Willamette Management Associates
52. *Cost of Capital Yearbook 2005*, Ibbotson Associates
53. *Royalty Trends Report 2007*, EPM Communications, Inc.
54. Howard Stern Trademark Registration #2,142,868
55. Interview with Kim Williams, NFL CFO, CFO Magazine, 2/1/2006
56. *RoyaltySource* License Agreement Summaries
57. IEG Sponsorship Data (NASCAR)
58. *ADWEEK*, 4/24/2006
59. "Chrysler bets big on Dion's auto endorsement deal," www.USATODAY.com, 6/8/2003

60. "She's Not Just Selling Out Concerts," www.nypost.com, 7/3/2007
61. "Catherine Zeta-Jones Proud to be the New Face of Elizabeth Arden," www.hellomagazine.com, 2/5/2002
62. "Hilary Duff Shows a Taste For Candie's," money.cnn.com, 6/8/2005
63. "Beyonce Signs Endorsement Deal with L'Oreal," advertising.about.com, 8/30/2004
64. "Nike, Serena Near \$60M Deal," cnnmoney.com, 12/8/2003
65. "TIGER! Now the Sky's the Limit for Golf – the Game and the Business," www.cnnmoney.com, 5/12/1997
66. "The Golf Digest 50," www.golfdigest.com, 3/5/2005
67. "Purse Is Just the Start For Golf's Major Winners," www.washingtonpost.com, 7/13/2005
68. "Good Sports," www.chinatoday.com.cn/English/e2005/e200503/p30.htm
69. "Phelps expected to make big splash," www.daytonraiders.com, 5/13/2004
70. www2.oprah.com
71. www.nascar.com
72. mlb.mlb.com
73. www.nfl.com
74. www.howardstern.com
75. www.opieandanthony.com
76. www.marthastewart.com

**THIS EXHIBIT CONTAINS
RESTRICTED INFORMATION
PURSUANT TO THE DECEMBER 20,
2006 PROTECTIVE ORDER AND
THEREFORE WAS OMITTED FROM
THIS PUBLIC VERSION**

Satellite Radio
Comparable Market-based License Agreements
Various Celebrities and Media

Celebrity	Licensee	Media / Format	Exclusive	Dates	Territory	Royalty Rate	Royalty Base	Other Compensation	Additional Notes
Bob Glidden	Glidden Performance	Drag Racing	No	1989	NA	8.00% - 8.00%	Gross sales		\$2.5 million in damages for unauthorized use of Glidden's name by an automotive parts company.
Britney Spears	Famous Fixins, Inc.	Recording Artist	No	1999 - 2002	Global	9.00% - 9.00%	Net sales	\$150,000 upfront fee, automatic reset to match any higher royalty rates paid to other celebrities	License for bubble gum with packaging featuring Britney Spears' name, logo, images, autographs and approved likenesses.
Britney Spears	Elizabeth Arden	Recording Artist	No	2004	NA	6.00% - 6.00%	Net sales		Royalty on sales of perfume, skincare goods, cosmetics.
Claudia Schiffer	PTN Media, Inc.	Model	No	1998	NA	20.00% - 60.00%	Net sales	\$75,000 advance royalty	Name, likeness, photographs, voice recordings and endorsement of Claudia Schiffer for promoting 16 month calendar.
Estella Warren	PTN Media, Inc.	Model	No	1999	Global	20.00% - 20.00%	Net sales	\$30,000 advance royalty	Name and likeness of Estella Warren for use on websites and downloadable electronic calendars.
Ingrid Bergman	Artisan House, Inc.	Actress	No	1995	NA	5.00% - 5.00%	Net sales	\$1,000 upfront fee	Name, image, likeness, voice and signature of Ingrid Bergman for use on metal wall-mounted sculptures.
Princess Diana	Various	Royalty	No	1998	NA	30.00% - 30.00%	Net sales		Name or image of Princess Diana for use on t-shirts, mugs, other gifts, etc.
Tony Stewart	Famous Fixins, Inc.	Auto Racing	No	2000	US	15.00% - 15.00%	Net sales		Name, likeness and signature of Tony Stewart and likeness of #20 Winston Cup car used on mints.
Tony Stewart	PTN Media, Inc.	Auto Racing	No	2002	US	12.00% - 12.00%	Net sales	\$10,000 advance	Name and likeness of Tony Stewart in conjunction with Palm computer.
Marilyn Monroe	World Doll Celebrity Collection	Actress	No	1983	NA	12.50% - 12.50%	Net sales		18 inch replicas of Marilyn Monroe.
Marilyn Monroe	Clay Art	Actress	No	1988	NA	7.00% - 10.00%	Net sales		47 ceramic gift products featuring Marilyn Monroe.
Marilyn Monroe	Backflips	Actress	No	1986	NA	7.00% - 7.00%	Net sales		Swimwear and cover-up apparel.

1st Quartile	16.3% - 60.0%
2nd Quartile	11.0% - 16.3%
3rd Quartile	7.0% - 11.0%
4th Quartile	5.0% - 7.0%
Minimum	5.0%
Maximum	60.0%
Mean	14.4%
Median	11.0%

Sources: LER, RoyaltySource, RoyaltyStat, various 10-K reports

Satellite Radio
Comparable Market-based Compensation Agreements
NFL, NBA, CFL, MLB

Licensor	Licensee	Exclusive	Date	Territory	Royalty Rate	Royalty Base	Product Category	Additional Notes
NBA Europe	Nasco Products International, Inc.	No	1998	International	13.00% - 13.00%	Net sales	Sports bags, backpacks, waist packs	Minimum guarantees range from \$7,000 to \$40,000 over the life of the contract.
NFL Properties	Fotoball USA, Inc.	No	2000	NA	10.00% - 10.00%	Net sales	Team logo footballs, commemorative footballs, etc.	Minimum guarantees are \$50,000 in year 1 and \$65,000 in year 2. Advance payments are \$30,000 in year 1 and \$35,000 in year 2.
NFL Properties	JC Penney	No	1997	NA	10.00% - 10.00%	Net sales	Men's and children's body-care segment	Each of 30 NFL teams has a line of products.
ESPN Enterprises	OnHealth Network Co.	No	1994	NA	10.00% - 10.00%	Net sales	Sports fitness CDs	\$425,000 advance payment
Canadian Football League	Collegiate Licensing Co.	No	2003	NA	5.00% - 10.00%	Net sales	Vintage uniforms, hats, pennants	
MLB Properties, Inc.	Nasco Products International, Inc.	No	1998	International	10.00% - 10.00%	Net sales	backpacks, tote bags, etc.	Use of team trademarks.
MLB Players Association	Fotoball USA, Inc.	No	2003	NA	5.00% - 10.00%	Net sales	Photo baseballs, pins, magnets, bobblehead dolls, mini baseball gloves, etc.	Promotional products provided to baseball clubs.
NBA Properties, Inc.	MacGregor Promotion Corp.	No	1988	NA	7.50% - 10.50%	Net sales	Various apparel items	Minimum guarantees range from \$100,000 in the first year to \$200,000 in the fifth year.
NBA Properties, Inc.	Innovo Group, Inc.	No	1998	NA	12.00% - 12.00%	Net sales	Various textile products	\$12,500 advance payment.
National Football League Alumni	American Sports History	No	1996	NA	8.00% - 8.00%	Net sales	Historical sports magazines	Minimum royalties of \$1,500,000 over six years.

1st Quartile	10.1% - 13.0%
2nd Quartile	10.0% - 10.1%
3rd Quartile	9.5% - 10.0%
4th Quartile	5.0% - 9.5%
Minimum	5.0%
Maximum	13.0%
Mean	9.7%
Median	10.0%

Sources: LER, RoyaltySource, RoyaltyStat, various 10-K reports

Satellite Radio
Comparable Market-based Compensation Agreements
NASCAR

Licensor	Licensee	Exclusive	Date	Territory	Royalty Rate	Royalty Base	Product Category	Additional Notes
Redline Sports Marketing, Inc.	Padova International	No	2005	NA	12.00% - 12.00%	Net sales	Various sporting apparel	Name, likeness and signature of Bobby Labonte, likeness of #18 Nextel Cup car.
Bob Glidden	Glidden Performance	No	1989	NA	8.00% - 8.00%	Gross sales	Automotive parts	\$2.5 million in damages for unauthorized use of Glidden's name by an automotive parts company.
Tony Stewart	Famous Fixins, Inc.	No	2000	US	15.00% - 15.00%	Net sales	Mints	Name, likeness and signature of Tony Stewart and likeness of #20 Winston Cup car.
Tony Stewart	PTN Media, Inc.	No	2002	US	12.00% - 12.00%	Net sales	Palm computer accessories	Name and likeness of Tony Stewart - \$10,000 advance.
NASCAR	Oxboro Outdoors, Inc.	No	1999	NA	17.00% - 17.00%	Net sales	Fishing tackle	Use of names of NASCAR drivers.
NASCAR	Sam Bass Illustration & Design	Yes	~ 2000	NA	15.00% - 20.00%	Net sales	Paintings, other art	Official artist of NASCAR.
Carl Haas Racing Teams, Ltd.	CART	No	1997	NA	25.00% - 25.00%	Gross sales	CART merchandise	CART pays promoter (Haas) 25% of gross sales after taxes.

1st Quartile	17.0% - 25.0%
2nd Quartile	15.0% - 17.0%
3rd Quartile	12.0% - 15.0%
4th Quartile	12.0% - 12.0%
Minimum	8.0%
Maximum	25.0%
Mean	15.2%
Median	15.0%

Sources: LER, RoyaltySource, RoyaltyStat, various 10-K reports

Satellite Radio
EPM Communications - The Licensing Letter Trends Report (2007)
Average Royalty Rates for Sports and Celebrity Properties

Property Type	2001	2002	2003	2004	2005	2006	Range	Average
Celebrities / Estates	9.6%	8.4%	6.3%	10.0%	10.1%	10.3%	3 - 14%	9.0%
Entertainment / Character	11.0%	10.8%	11.4%	11.0%	11.0%	11.0%	4 - 17%	10.9%
Sports	10.0%	8.3%	9.5%	8.8%	7.8%	9.2%	6 - 15%	8.9%
Trademarks / Brands	7.8%	8.1%	9.5%	8.2%	7.2%	7.7%	5 - 12%	7.8%

Selected Product Categories	Sports Royalty Range	Celebrity Royalty Rate Range
Apparel / Accessories	8% - 12%	10% - 14%
Domestics	8% - 10%	8% - 12%
Food / Beverage		3% - 5%
Health / Beauty		12% - 14%
Gifts / Novelties	9% - 12%	
Sporting Goods	8% - 10%	
Toys / Games	8% - 10%	

Source: The Licensing Letter Royalty Trends Report, EPM Communications, 2007

Satellite Radio
Howard Stern Compensation Analysis
July 24, 2007

COST OF TALENT

	<u>Min.</u>	<u>Max.</u>
Net Present Value (NPV) of Contract Cost (\$000's)	\$ 245,932	\$ 245,932

BRAND VALUE CARVE-OUT

NPV of Contract Cost	\$ 245,932	\$ 245,932
Industry Operating Profit @ 26.61% Profit Margin	89,171	89,171
Equivalent Wholesale Revenue Basis	\$ 335,104	\$ 335,104
Brand Royalty Rate (based on comparable transactions)	20.0%	15.0%
Exclusive Brand Value Carve-out	\$ 67,021	\$ 50,266
NPV of Contract Cost Adjusted for Brand Value	\$ 178,912	\$ 195,667

ENDORSEMENT VALUE CARVE-OUT

Annual Endorsement Value (Exclusive Basis)	\$ 5,000	\$ 4,100
PVIFA (15%, 6.5 years)	3.98	3.98
Exclusive Endorsement Value Carve-out	\$ 19,895	\$ 16,314
NPV of Contract Cost Adjusted for Brand and Endorsement Value	\$ 159,017	\$ 179,353

EXCLUSIVITY VALUE CARVE-OUT

NPV of Contract Cost Adjusted for Brand and Endorsement Value	\$ 159,017	\$ 179,353
Imputed Discount for Exclusivity (%)	79.2%	74.0%
Exclusivity Value Carve-out	\$ 125,881	\$ 132,759

RESIDUAL NON-EXCLUSIVE CONTRACT COST (RNECC)	\$ 33,136	\$ 46,594
RNECC AS % OF NPV OF CONTRACT COST	13.5%	18.9%

Satellite Radio
Howard Stern Compensation Analysis
July 24, 2007

Exclusivity Premium Analysis			
100% Capture of XM Subscribers	SIRIUS	XM	TOTAL
Subscribers (Q3 2004)	662,289	2,516,023	3,178,312
Average Subscriber Share	20.8%	79.2%	100.0%
Exclusive Subscriber Share:			
Base Subscriber Capture	20.8%		
XM Subscriber Capture @ 100%	79.2%		
Exclusive Subscriber Share	100.0%		
Exclusive Value	245,932		
Non-Exclusive Value	51,247		
Premium	379.9%		
Discount	79.2%		

75% Capture of XM Subscribers	SIRIUS	XM	TOTAL
Subscribers (Q3 2004)	662,289	2,516,023	3,178,312
Average Subscriber Share	20.8%	79.2%	100.0%
Exclusive Subscriber Share:			
Base Subscriber Capture	20.8%		
XM Subscriber Capture @ 75%	59.4%		
Exclusive Subscriber Share	80.2%		
Exclusive Value	245,932		
Non-Exclusive Value	63,891		
Premium	284.9%		
Discount	74.0%		

**Satellite Radio
Comparable Market-based Compensation Agreements
Celebrity Endorsements**

Celebrity	Sponsor	Media / Format	Date	Territory	Compensation
Julia Roberts	Gianfranco Ferré	Print	2006	Outside US and Canada	\$5 million for one year
Catherine Zeta-Jones	T-Mobile	Print / TV	2002	Global	\$10 million / year for two years
Celine Dion	Chrysler	Print / TV	NA	Global	\$14 million over three years
Brad Pitt	Heineken	TV	2005	Global	\$4.5 million for one ad / two years outside the US
Fergie	Candie's	TV / etc.	NA	Global	\$4 million for use of "Candie's" in song lyrics
Nicole Kidman	Chanel No. 5	Print / TV	2004	Global	\$4 million / year for three years
Sean Combs	Guthy-Renker	TV	NA	Global	\$3 million for one year
Alicia Keys	Guthy-Renker	TV	NA	Global	\$3 million for one year
Gwyneth Paltrow	Estée Lauder	Print / TV	2005	Global	\$3 million / year for multiple years
Jessica Simpson	Guthy-Renker	TV	2005	Global	\$2.5 million / year for three years
Catherine Zeta-Jones	Elizabeth Arden	Print / TV	NA	Global	\$8 million over four years
Scarlett Johansson	L'Oreal	Print / TV / Internet / POS	2005	Global	\$2 million / year for two years
Penelope Cruz	L'Oreal	Print / TV / Internet / POS	2005	Global	\$2 million / year for two years
Charlize Theron	Dior	Print / TV	2004	Global	\$2 million / year for three years
Hilary Duff	Candie's	Print / TV	2005	Global	\$1 million for one year
Beyonce Knowles	L'Oreal	Print / Appearances	2004	Global	\$4.7 million over five years

Sources: Adweek, press releases, magazine articles

Annual Payments in Millions

1st Quartile	\$4.1 - \$5.0
2nd Quartile	\$3.0 - \$4.1
3rd Quartile	\$2.0 - \$3.0
4th Quartile	\$0.8 - \$2.0
Mean	\$3.04
Median	\$3.00

**Satellite Radio
Comparable Market-based Compensation Agreements
Sports Endorsements**

Sports Star	Sponsor	Date	Products	Compensation
Serena Williams	Puma	1997	Tennis products	\$12 million over five years
Tiger Woods	Accenture	2003	Business services	\$8 million annually
Venus Williams	Reebok	2000	Tennis products	\$38 million over five years
Tiger Woods	American Express	2000	Financial services	\$7 million annually
Tiger Woods	Titleist	1996	Golf products	\$1 million annually over three years
Tiger Woods	Buick	2004	Cars	\$7 million annually
Tiger Woods	Disney	2004	Cars	\$5 million annually
Tiger Woods	TLC Laser Eye Centers	2000	Laser surgery	\$3 million annually
Tiger Woods	Tag Heuer	2002	Watches	\$2 million annually
Jim Furyk	Argent	NA	Software	\$1.5 million annually
Yao Ming	Unicom	NA	Business services	\$3 million over three years
Jim Furyk	Hershey / Reese's	NA	Candy	\$2 million over two years
Jim Furyk	Exelon Energy	NA	Energy products	\$1 million annually
Michael Phelps	AT&T Wireless	NA	Business services	\$250,000 for one year
Michael Phelps	Speedo	NA	Swimwear	\$500,000 over four years
Michael Phelps	Argent Mortgage	NA	Software	\$250,000 over two years

Sources: Adweek, press releases, various magazines.

Annual Payments in Millions

1st Quartile	\$5.5 - \$8.0
2nd Quartile	\$1.8 - \$5.5
3rd Quartile	\$1.0 - \$1.8
4th Quartile	\$0.0 - \$1.0
Mean	\$3.00
Median	\$1.75

**Satellite Radio
Primary Car/Team Sponsorships
NASCAR**

Corporate Owner	Sponsor	Team	Annual Fee	Sponsor Since	Sponsor Category
-----------------	---------	------	------------	---------------	------------------

Busch Series

Swedish Match AB	Timber Wolf Moist Snuff	Brewco Motorsports - #37 Timber Wolf team	\$1 million	1996	Tobacco
Regis Corp.	Supercuts	FitzBradshaw Racing - #8 Supercuts team	\$1 million-plus	2002	Services
U.S. Marine Corps	U.S. Marine Corps	Rensi Motorsports - #25 Team Marines	\$1 million-plus		Government
Rockwell Int'l Corp.	Rockwell Automation	Richard Childress Racing - #21 Rockwell Automation team	\$1.5 million-plus	2000	Machinery & Parts
U.S. Air Force Auxiliary	Civil Air Patrol	Lewis Motorsports - #46 Civil Air Patrol team	\$2 million	2002	Government
General Motors Corp.	ACDelco	Richard Childress Racing - #2 ACDelco team	\$3 million		Automotive - Aftermarket
Bayer AG	Bayer / Alka-Seltzer	BACE Motorsports - #33 Bayer / Alka-Seltzer team	\$750,000-plus	1993	Pharmaceutical

Craftsman Truck Series

Waterloo Industries, Inc.	Waterloo Tool Storage	Mittler Brothers Racing - #63 Waterloo Tool team	\$2 million		Tools
---------------------------	-----------------------	--	-------------	--	-------

NEXTEL Cup Series (Previously WINSTON Cup)

General Motors Corp.	GM Goodwrench Service Plus	Richard Childress Racing - #29 GM Goodwrench team	\$12 million	1988	Automotive - Aftermarket
Home Depot Inc.	Home Depot	Joe Gibbs Racing - #20 Home Depot team	\$12 million	1999	Retail - Hardware / DIY Store
Pfizer Inc.	Viagra	Roush Racing - #6 Pfizer / Viagra team	\$12 million	2001	Pharmaceutical
E. I. du Pont de Nemours & Co. Inc.	DuPont Automotive Finishes	Hendrick Motorsports - #24 DuPont Automotive Finishes team	\$15 million	1992	Automotive - Aftermarket
United Parcel Service, Inc.	UPS	Robert Yates Racing - #88 UPS team	\$16 million	2001	Mailing & Shipping
Anheuser-Busch Cos., Inc.	Budweiser	DEI Racing - #8 Budweiser team	\$2 million	1992	Beverages - Beer
Eastman Kodak Co.	Kodak MAX Film	Morgan-McClure Motorsports - #4 Kodak MAX Film team	\$4 million-plus	1986	Photo Supplies / Services
Interstate Batteries System of America, Inc.	Interstate Batteries	Joe Gibbs Racing - #18 Interstate Batteries team	\$5 million	1997	Automotive - Aftermarket
ALLTEL Corp.	ALLTEL	Penske Racing - #12 ALLTEL team	\$5 million-plus		Telecommunications
Caterpillar, Inc.	Caterpillar	Bill Davis Racing - #22 Caterpillar team	\$5 million-plus	1997	Heavy Equipment
ChevronTexaco Corp.	Texaco / Havoline	Robert Yates Racing - #28 Texaco / Havoline team	\$5 million-plus	1987	Fuel / Automotive - Aftermarket
CITGO Petroleum Corp.	CITGO Supergard	Roush Racing - #99 CITGO Supergard team	\$5 million-plus		Fuel
Conseco, Inc.	Conseco	AJ Foyt Racing - #14 Conseco team	\$5 million-plus	1999	Financial Services - Insurance
Ford Motor Co.	Motorcraft	Wood Brothers Racing - #21 Ford Motorcraft team	\$5 million-plus	1992	Automotive - Aftermarket

**Satellite Radio
Primary Car/Team Sponsorships
NASCAR**

Corporate Owner	Sponsor	Team	Annual Fee	Sponsor Since	Sponsor Category
Genuine Parts Co.	NAPA Auto Parts	DEI Racing - #15 NAPA Auto Parts team	\$5 million-plus	1995	Retail - Auto Parts
Georgia-Pacific Corp.	Georgia-Pacific / Sparkle	Petty Enterprises - #44 Georgia Pacific team	\$5 million-plus	2001	Lumber & Paper Products
Jasper Engines & Transmissions	Jasper Engines	Jasper Motorsports - #77 Jasper team	\$5 million-plus	1995	Automotive - Aftermarket
Kellogg Co.	Kellogg's Corn Flakes, Raisin Bran, Frosted Mini-Wheats	Hendrick Motorsports - #5 Kellogg's team	\$5 million-plus	1992	Food - Cereal
Mars, Inc.	M&M / Mars	MBV Motorsports - #36 M&M's team	\$5 million-plus	1997	Food - Candy
Newell Rubbermaid, Inc.	Sharpie	Roush Racing - #97 Rubbermaid / Sharpie Rubbermaid team	\$5 million-plus		Office Equipment & Supplies
Pennzoil - Quaker State Co.	Pennzoil	DEI Racing - #1 Pennzoil team	\$5 million-plus	1998	Automotive - Aftermarket
RealTree, Inc.	RealTree Camouflage	Dave Marcis Racing - #71 RealTree Camouflage team	\$5 million-plus	1997	Apparel - Athletic
Sara Lee Corp.	Hills Bros. Coffee	Bill Davis Racing - #23 Hills Bros. team	\$5 million-plus	2002	Beverages - Coffee
Adolph Coors Co.	Coors Light / Original Coors	Chip Ganassi Racing - #40 Coors Light team	\$6 million-plus		Beverages - Beer
Sprint Corp.	Sprint	Petty Enterprises - #45 Sprint team	\$6 million-plus (Incl. #43 & #44 Petty teams)	1999	Telecommunications - Long Distance
Procter & Gamble Co.	Tide	PPI Motorsports - #32 Tide team	\$7 million-plus	2000	Cleaning Products
General Mills, Inc.	Cheerios / Betty Crocker / Chex / Pop Secret Popcorn	Petty Enterprises - #43 Cheerios team	\$7.5 million	2000	Food - Cereal
Philip Morris Cos. Inc.	Miller Lite	Penske Racing - #2 Miller Lite team	\$8 million-plus	1992	Beverages - Beer
AOL Time Warner Inc.	America Online (AOL)	Richard Childress Racing - #30 AOL team	\$8 million-plus (Incl. Jeff Green Busch Series car)	2002	Internet - Service Provider

Source: IEG Sponsorship (Publisher: IEG LLC at www.sponsorship.com)

Annual Payments in Millions

1st Quartile	\$6.0 - \$16.0
2nd Quartile	\$5.0 - \$6.0
3rd Quartile	\$4.0 - \$5.0
4th Quartile	\$0.8 - \$4.0
Minimum	\$0.8
Maximum	\$16.0
Mean	\$5.6
Median	\$5.0

**THIS EXHIBIT CONTAINS
RESTRICTED INFORMATION
PURSUANT TO THE DECEMBER 20,
2006 PROTECTIVE ORDER AND
THEREFORE WAS OMITTED FROM
THIS PUBLIC VERSION**

**THIS EXHIBIT CONTAINS
RESTRICTED INFORMATION
PURSUANT TO THE DECEMBER 20,
2006 PROTECTIVE ORDER AND
THEREFORE WAS OMITTED FROM
THIS PUBLIC VERSION**

**THIS EXHIBIT CONTAINS
RESTRICTED INFORMATION
PURSUANT TO THE DECEMBER 20,
2006 PROTECTIVE ORDER AND
THEREFORE WAS OMITTED FROM
THIS PUBLIC VERSION**

**THIS EXHIBIT CONTAINS
RESTRICTED INFORMATION
PURSUANT TO THE DECEMBER 20,
2006 PROTECTIVE ORDER AND
THEREFORE WAS OMITTED FROM
THIS PUBLIC VERSION**

**THIS EXHIBIT CONTAINS
RESTRICTED INFORMATION
PURSUANT TO THE DECEMBER 20,
2006 PROTECTIVE ORDER AND
THEREFORE WAS OMITTED FROM
THIS PUBLIC VERSION**

**THIS EXHIBIT CONTAINS
RESTRICTED INFORMATION
PURSUANT TO THE DECEMBER 20,
2006 PROTECTIVE ORDER AND
THEREFORE WAS OMITTED FROM
THIS PUBLIC VERSION**